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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**



BUDGET FOR 1955-56

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MINISTRY OF FINANCE

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PART I.—RAILWAY BUDGET

Speech of Shri LAL BAHADUR SHASTRI, Minister for Railways and Transport introducing the Railway Budget

for 1955-56

Sir, I rise to place before the House a Statement of Estimates of Receipts and Expenditure of the Indian Railways for the year 1955-56. A translation of my speech in Hindi will be supplied to the Hon'ble Members along with the Budget papers, which include this year a Hindi translation of the Explanatory Memorandum and other important documents.

FINANCIAL RESULTS FOR 1953-54

2. I shall first report to the House the financial position of the Indian Railways as disclosed in the completed accounts for 1953-54. The actual gross traffic receipts and the ordinary working expenses for the year were Rs. 274.29 crores and Rs. 201.47 crores against the Revised Estimates of Rs. 272.00 crores and Rs. 197.63 crores respectively. After allowing for contribution to the Depreciation Reserve Fund and payment of Miscellaneous Expenditure and Dividend to General Revenues, the actual net surplus stood at Rs. 2.56 crores against the Revised Estimate of Rs. 3.18 crores. The entire surplus was credited to the Railway Development Fund.

REVISED ESTIMATES FOR 1954-55

3. As a result of a general improvement in the volume and movement of traffic, the Revised Estimate of the total gross receipts for the year 1954-55 is now placed at Rs. 282.80 crores against the Budget Estimate of Rs. 273.25 crores, an increase of Rs. 9.55 crores. The House will remember that at the time of the presentation of the Budget, I had anticipated a small increase in passenger earnings during the year. I am glad to be able to say that that hope is likely to be realised. The general decline in passenger traffic noticed since 1952-53 has been arrested and the current year has shown an upward trend. The passenger earnings are, therefore, now expected to be

Rs. 101·8 crores, a little higher than the Budget figure of Rs. 101·5 crores. As regards goods traffic, there has been a significant improvement, and wagon loadings, goods train mileage and revenue-earning tonnage lifted have all recorded increases. The goods earnings are, therefore, expected to increase by Rs. 7·4 crores, and are now estimated at Rs. 156·00 crores against Rs. 148·60 crores estimated at the time of the Budget. Other coaching earnings from Military and other traffic are expected to go up by about Rs. 1·5 crores.

4. The higher level of traffic during the year has naturally been reflected in increased expenditure. The ordinary Working Expenses have now been revised to Rs. 202·76 crores against the original Estimate of Rs. 194·31 crores, an increase of Rs. 8·45 crores. But for the extra credit of Rs. 62 lakhs to Revenue this year, arising out of the restoration of dismantled lines, the increase should have been over Rs. 9 crores, roughly equal to the increase in earnings. After making a contribution of Rs. 30 crores to the Depreciation Reserve Fund and meeting payments to worked lines, Miscellaneous Expenditure and Dividend to General Revenues, the surplus for the current year is now anticipated to be Rs. 6·57 crores against Rs. 5·14 crores estimated in the Budget.

REVISED FINANCIAL CONVENTION

5. I shall now refer to the Revised Convention for the separation of Railway Finance from the General Finances adopted by Parliament during the last session which will have an important bearing on Railway finance during the next five years. The changes in financial procedure laid down by the Revised Convention affecting the Revenue Estimates are:

- (a) Expenditure on unremunerative operating improvements costing over Rs. 3 lakhs, which was split up between Open Line Works Revenue and Development Fund under the 1949 Convention, is to be charged wholly to the Development Fund.

- (b) The annual contribution to the Depreciation Reserve Fund from Railway Revenues is to be enhanced from Rs. 30 crores to Rs. 35 crores.
- (c) The Railways are required to pay dividend on the Capital-at-charge at a fixed rate of 4 per cent. annually with the following two modifications :
 - (i) On the element of over-capitalisation that has taken place due to the haphazard growth of the capital structure of Railways, estimated at Rs. 100 crores approximately but the magnitude of which will have to be accurately assessed later, Railways are to pay dividend to General Revenues at the rate of interest charged to the Commercial Departments ; and
 - (ii) A moratorium is to be granted in respect of the dividend payable on the capital invested on new lines during the period of construction and up to the end of the 5th year of their being opened to traffic. From the sixth year onwards current dividend is to be paid on such capital expenditure. The deferred dividend in respect of this period of the moratorium will be calculated at a rate equivalent to the rate of interest charged to Commercial Departments and this will have to be paid from the sixth year onward, if the net income of these lines leaves a surplus after the payment of the current dividend.
- (d) In the event of the balance in the Development Fund becoming insufficient to meet the cost of Development Works chargeable to the Fund, the General Revenues are to advance to the Railways such loans bearing interest at the rate charged to Commercial Departments, as may be necessary. The loans so advanced will not form a part of the Capital-at-charge of the Railways.

(e) The criterion for classifying remunerative projects will be a return of 5 per cent. on investment after making provision for depreciation, operation and maintenance, instead of 4·25 per cent.

6. The Revised Convention has also introduced certain refinements in respect of the allocation of expenditure between Capital, Depreciation Reserve Fund, Development Fund and Open Line Revenue Works ; namely,

- (i) The cost of replacement works financed out of the Development Fund will be met from the Depreciation Reserve Fund instead of from the Development Fund ;
- (ii) Expenditure on unremunerative operating improvements costing over Rs. 3 lakhs will be allocated wholly to Development Fund ;
- (iii) The cost of construction of all new lines will be charged to Capital from the very beginning and not initially to the Development Fund as in the case of unremunerative lines under the 1949 Convention ;
- (iv) Expenditure on construction of quarters for Class III staff, which was hitherto charged to Capital, will be borne by the Development Fund ; and
- (v) Expenditure on works of amenities for Railway users, which was previously met from Capital or Revenue, will be chargeable to the Development Fund.

7. The Budget Estimates for 1955-56 have been prepared in accordance with these provisions of the Revised Convention and I would request the House to bear in mind the effect of these changes while making comparisons with the previous years.

FARE AND FREIGHT RATE ADJUSTMENTS

8. I now propose to deal with the question of Railway fares and freights to which I had made a reference in my last Budget

speech. When passenger fares were standardised all over the country in 1948, the flat rate basis replaced the telescopic fares which had obtained on many of our Railways. The changes affected adversely long distance passengers in our country of considerable distances. The effects became even more pronounced after the enhancement of fares in 1951. In my view the time has now come to reintroduce the telescopic basis of fares which should afford some relief to this category of passengers. This will mean a judicious re-adjustment of fares if there is to be no decrease in railway earnings. The revision I propose is on the basis of a telescopic fare structure of three legs, the first up to 150 miles, the second from 151 to 300 miles and the third 301 miles and over.

9. The main features of the proposals are that the existing basic fares in respect of the Second, Inter and Third classes are retained unchanged for the second leg. The fares for journeys in the third leg of 301 miles and over have been reduced while the fares applicable to the first leg, namely, 1 to 150 miles have been slightly enhanced. As regards Air-Conditioned accommodation, the increase is somewhat greater than in the case of the other classes. The present rate of 30 pies per mile is proposed to be increased to 34 pies per mile for the first 300 miles and to 32 pies per mile thereafter. I have, however, decided that the extra charge of Rs. 5 per night for the supply of bedding should be discontinued.

10. The effect of these changes should not cause any concern. Taking the Third Class, for example, the increase in respect of fares for the first leg is, in many cases, likely to be offset by the existing rule for rounding off of fares. The actual increase in the fares for journeys up to 49 miles will not in any case exceed one anna and for journeys not exceeding 300 miles the maximum increase will be only four annas. On the other hand, the long distance passenger gets relief. The third class passenger travelling from Delhi to Madras will, for instance, pay Rs. 5/5/- less than at present.

The proposals regarding passenger fares are :—

	Existing (flat rates per mile)	Proposed Telescopic scales	
		Miles	Rate per mile
Air-Conditioned.	30 pies	1—300	34 pies
		301 and over	32 „
Second . . .	16 pies	1—150	18 „
		151—300	16 „
		301 and over	15 „
Inter . . .	Mail/Express 10½ pies	1—150 } Mail/Exp. Ordinary	11 „ 9½ „
	Ordinary 9 pies	151—300 } Mail/Exp. Ordinary.	10½ „ 9 „
		301 & over } Mail/Exp. Ordinary.	9½ „ 8½ „
Third . . .	Mail/Express 6 pies	1—150 } Mail/Exp. Ordinary.	6½ „ 5½ „
	Ordinary 5 pies	151—300 } Mail/Exp. Ordinary	6 „ 5 „
		301 & over } Mail/Exp. Ordinary	5 „ 4½ „

These changes will come into effect from the 1st April 1955. Hon'ble Members are of course already aware that with effect from that date, the present Second and Inter classes will be known as First and Second respectively.

I do not expect any substantial increase in passenger receipts as a result of these adjustments, designed largely to afford some relief to long distance travellers. But the need for improving the financial resources of the Railway undertaking can hardly be overlooked. The Convention Committee of 1954 who examined the financial prospects of the Railway Undertaking reached the conclusion that if Railways were to continue to pay

the dividend at the rate of 4 per cent. during the next quinquennium, there would, on the basis of the present rates and fares, be a shortfall of about Rs. 31 crores after meeting all working expenses and after providing adequate contribution to the Depreciation Reserve Fund. A part only of this will be covered by the moratorium permitted under the revised Convention on the dividend payable in respect of the new lines.

11. In the circumstances, I have had to consider the question of effecting certain modifications in freight rates. After trying to balance the needs of the country's economy as a whole and the needs of the Railways with their ever increasing commitments, I have decided to make the following adjustments.

12. The steady drop in the price of foodgrains increases proportionately the incidence of freight in the selling price of grain, particularly in the case of movements to deficit areas situated at considerable distances from the surplus regions. I propose to reduce the wagon load scale of grains and pulses by 0·02 pie per mile or 7 per cent. for distances ranging from 301 to 600 miles and by 0·01 pie per mile or about 5½ per cent. for distances beyond 600 miles. The maximum freight is fixed at Rs. 1/13/- per maund, the freight charged for approximately 1500 miles, so that the haulage beyond that distance will bear no charge. Movement of grains and pulses from Bhatinda in Pepsu to Tuticorin in South India, to give an example, will, under this proposal, pay a freight of only Rs. 1/13/- per maund against the present rate of Rs. 2/5/- per maund. This will involve a reduction in earnings to the tune of Rs. 1·25 crores a year.

13. I am also extending the same special treatment to fertilisers which are also important from the point of view of the agriculturist. I propose to reduce the 'wagon load scale' for chemical manure, Division B, by 0·02 pie per mile or 6½ per cent. for distances from 101 to 400 miles and by 0·03 pie per mile or 13 per cent. for distances beyond 400 miles. In this case also the maximum freight is being fixed at Rs. 1/14/- per

maund representing the freight charged for approximately 1500 miles. Fertilisers from Sindri under these rates, for example, will move to Trivandrum at Rs. 1/14/- per maund as compared with the present Rs. 2/3/11 per maund and to Rajkot at Rs. 1/10/2 per maund as compared to the present rate of Rs. 1/12/11 per maund. This reduction will cost the Railways about Rs. 20 lakhs a year.

14. As regards the 'class rates', under the telescopic scales introduced in 1948, the drop with increase in distance is very limited. The rate for 700 miles for a commodity in class 2, for instance, is $6\frac{1}{2}$ times the rate for a hundred miles. After considering the matter, I have come to the conclusion that the requisite stimulus for long distance traffic in the interest of trade and industry can be secured only by a revision of the present telescopic scales. This is proposed to be achieved by an upward adjustment of the freight in the first leg of 300 miles and a downward adjustment in the 3rd leg of 601 miles and over. While these changes will, no doubt, bring some additional revenue they will afford the trading public a better taper of telescopic scales.

15. The actual proposal is to reduce the freight for distances beyond 600 miles by 15 per cent. and to increase the rate for the first 300 miles by 10 per cent. leaving the intermediate leg of 301 to 600 miles unaltered. Although this will involve some increase in freight for distances upto 850 miles, the increase on most commodities in common use will not exceed about half a pie per seer while for distances beyond 850 miles there will be a progressive and substantial reduction. To take an example, at random, the reduction for a commodity in Class 6 beyond 1500 miles would be $4\frac{1}{2}$ annas per maund.

16. The legs of the telescope in the present 'wagon load scales' are not uniform. 'Wagon load scales' which apply to commodities of very low value provide by their short initial legs necessary stimulus for their movement over long distances. It is not

proposed to disturb them. The remaining wagon load scales, which do not conform to the legs of the class rates, are, however, proposed to be brought into line with the latter. For salt and jaggery, the rates for the second leg will, however, simultaneously be reduced by .03 pies and .08 pies per mile respectively, so that over certain mileages there is a reduction in freight and over no mileages is there any increase.

17. I should also refer to the problem that has in recent months come up in connection with the increased movement of "Smalls" traffic. The number of wagons utilised for the movement of "smalls" on railways is about 15 per cent. of the total excluding coal wagons, which is entirely disproportionate to the volume of traffic carried. It is commonly accepted that the cost of the movement of "smalls" to the Railways is substantially more on account of the greater wagon utilisation, relatively larger number of handlings involved in their transport and greater incidence of compensation claims. It is necessary, therefore, to discourage uneconomical movement of commodities in "smalls" where they can be induced to move in larger units or wagon loads. It is proposed to levy a surcharge of $12\frac{1}{2}$ per cent. on the freight for all consignments weighing less than 20 maunds and to increase the minimum freight for such consignments from Re. 1 to Rs. 1/8/- per consignment. I expect that, as a result, we should be able to achieve better utilization of transportation capacity.

BUDGET ESTIMATES FOR 1955-56

18. I shall now proceed to the Budget Estimates for 1955-56, taking into account the effect of the proposals I have just referred to as well as the effect of the normal increase in traffic which the Railways can hope for during the next year. The overall Gross Traffic Receipts for 1955-56 are estimated at Rs. 292.50 crores against the Revised Estimate of Rs. 282.80 crores for the current year. The estimate of passenger earnings has been placed at Rs. 104.50 crores, an increase of

Rs. 2·7 crores over the Revised Estimate. The increase is anticipated on the basis of the current trends of traffic and as a result of the efforts of the Railways to increase their capacity to deal with the additional traffic and, to a small extent, on account of the adjustments in fares I have referred to. Similarly the normal increase in goods traffic which can be anticipated in the light of the trend noticeable during the current year, together with the effect of the proposed adjustments in freight rates, is expected to contribute to an improvement of about Rs. 7·90 crores over the Revised Estimate. Goods earnings for 1955-56 accordingly have been placed at Rs. 163·90 crores. These increases, however, are expected to be counterbalanced by a reduction of about a crore under other coaching earnings.

19. The Budget Estimate of Ordinary Working Expenses for 1955-56 has been placed at Rs. 206·59 crores, that is, Rs. 3·83 crores more than the Revised Estimate for the current year. The factors that have contributed to the increase are the annual increments to staff, additional staff required consequent on anticipated increase in traffic, increased charges on maintenance and repairs for additional stock and absence of credit on account of the restoration of dismantled lines.

20. The provision for contribution to the Depreciation Reserve Fund has been made at Rs. 35 crores in accordance with the revised Convention and that for payment of dividend to General Revenues at Rs. 36·07 crores. After making payment to worked lines of about Rs. 21 lakhs and Miscellaneous Expenditure of Rs. 7·49 crores, the net surplus expected to accrue in 1955-56 is anticipated to be Rs. 7·14 crores, as against the Revised Estimate of Rs. 6·57 crores for the current year. This is proposed to be credited to the Railway Revenue Reserve Fund so as to be available for payment of contribution to General Revenues in the later years of the quinquennium.

EXPENDITURE ON WORKS, ROLLING STOCK, ETC.

21. As regards the estimate for Works, Machinery and Rolling Stock, including that for Open Line Revenue Works, the expenditure during the current year is expected to be in line with that estimated in the Budget. The Revised Estimate for the year is being placed at Rs. 95·60 crores against the Budget estimate of Rs. 95 crores.

22. The Budget Estimate for Works, Machinery and Rolling-Stock etc. for 1955-56 has been placed at Rs. 126·68 crores, representing an increase of Rs. 31·08 crores over the Revised Estimate for the current year. The amount provided for works including new constructions and open line works is Rs. 45·01 crores. The provision for rolling-stock is Rs. 76·54 crores and that for machinery Rs. 3·39 crores. A sum of Rs. 1·74 crores is included for investment in road services. The provision made under rolling-stock is inclusive of a sum of Rs. 14·98 crores payable on delivery of locomotives and other rolling-stock expected during 1955-56 under the United States Technical Cooperation Mission programme and the Colombo Plan. The distribution of the total Budget Estimates under Capital, Depreciation Fund, Development Fund and Open Line Revenue Works follows the procedure laid down by the Revised Convention.

23. Honourable Members will observe that the provision for rolling-stock during the Budget year is considerably higher than the provision made during the current year. A substantial portion of it is due to the liquidation of liabilities which will have to be met in respect of the commitments made in the preceding years. During 1955-56 we expect to receive 170 locomotives from indigenous sources—120 broad gauge locomotives from Chittaranjan Locomotive Works and 50 metre gauge locomotives from Tata Locomotive and Engineering Co. Ltd.—and 425 broad gauge, 171 metre gauge and 8 narrow gauge locomotives from abroad against deliveries

of 263 broad gauge, 124 metre gauge and 31 narrow gauge locomotives expected during the current year. There is a similar increase under other rolling-stock as well. As against the receipt of 1,062 coaches, 8,200 broad gauge and 5,500 metre gauge wagons during the current year, we hope to receive during 1955-56, 1,340 fully furnished coaches manufactured in H.A.L. and railway workshops, 7,600 broad gauge and 4,400 metre gauge wagons manufactured by the wagon builders in India and 12,000 broad and metre gauge wagons from abroad.

24. During the Plan period 1951-52 to 1955-56, the railways would have received, from foreign and indigenous sources together, nearly 1,015 broad gauge, 591 metre gauge and 96 narrow gauge locomotives, about 33,500 broad gauge wagons 29,000 metre gauge wagons and about 4,900 coaches.

NEW CONSTRUCTIONS

25. The House would naturally be interested to know the progress made in the execution of rehabilitation and developmental schemes. Our rate of progress in the construction of new lines has been encouraging and I am glad to say that the Railways have executed these works with efficiency and often ahead of the target date.

26. Among the new lines under construction, the Chunar-Robertsganj line, the Rajkot Town-Rajkot Junction realignment and the Murliganj-Madhepura line were opened to traffic in July 1954 and the Gandhidham-Kandla line in August, 1954.

27. In addition to these, the construction of the five following new lines aggregating 335 miles is in progress:—

- (a) Champa-Korba Coalfields railway;
- (b) Pathankot-Madhopur;
- (c) Gop-Katkola;
- (d) Khandwa-Hingoli; and
- (e) Quilon-Ernakulam.

The Pathankot-Madhopur section is expected to be opened by June, 1955 and the Gop-Katkola and Champa-Korba lines in September and November, 1955, respectively. The Khandwa-Hingoli line is expected to be completed in 1959. The construction of the Quilon-Ernakulam line is being taken up in three phases. The entire line is likely to be completed by April, 1957, but the Ernakulam-Kottayam section, a length of 37 miles, is expected to be opened to traffic by the end of the current year. The next phase, Quilon-Mavelikara, 31 miles in length, is likely to be completed by April, 1956.

28. Among the electrification schemes, the electrification of Calcutta suburban services has been given high priority. The survey team appointed to examine the electrification of the section Howrah-Moghalsarai and Calcutta suburban services have completed their preliminary survey of the sections and their final report is awaited. Meanwhile, the first sub-phase of electrification of the section between Howrah and Burdwan *via* Main Line and Tarakeshwar branch of the Howrah Division for all services has been sanctioned at an estimated cost of Rs. 11·84 crores. Preliminary work has been taken in hand and global tenders for the necessary rolling-stock and other equipment have been invited. Electrification of the section is expected to be completed by the middle of 1957.

29. The scheme of extending electrification from Tambaram to Villupuram on the Southern Railway costing Rs. 3·3 crores has also been approved and work will be commenced as soon as detailed plans and estimates have been finalised.

30. Speaking about electrification generally, there is no doubt that, with the increasing availability of electric power from various hydro-electric and other projects, Railways have to take due notice of this fact and plan their own electrification programmes accordingly. This is engaging the attention of the Railway Board.

31. As regards new lines under survey to which I referred last year, surveys totalling 255 miles have been completed. These are:—

- (a) Indore-Dewas-Ujjain;
- (b) Rail connection to Etah;
- (c) Tildanga-Khajuria-Malda ;
- (d) Bhavnagar-Tarapur; and
- (e) Fatehpur-Churu.

The other two surveys, namely, Mangalore-Hassan and Diva-Dasgaon are still in progress.

32. With regard to other surveys in progress at the beginning of the year and those sanctioned during the year, the surveys for Raniwara-Bhiladi, Dohad-Indore, Hirdaygarh-Damua, Pathankot-Madhapur, Gua-Manoharpur, Arang Mahanadi-Dhalli Rajhara, and Barabil-Joda-Koira (preliminary), have been completed. Surveys are in progress for Madhopur-Kathua *via* Lakanpur; Sambalpur-Titilagarh; rail connection to Garo Hills; and Ramshai-Binnaguri lines.

33. Based on the surveys already completed, construction of the following lines has been sanctioned:—

- (a) Fatehpur-Churu;
- (b) Pathankot-Madhapur;
- (c) Indore-Dewas-Ujjain;
- (d) Barabil-Joda; and
- (e) Raniwara-Bhiladi.

Work on Fatehpur-Churu and Pathankot-Madhapur projects has begun and we hope to take on hand the Indore-Dewas-Ujjain and Barabil-Joda projects during the current year. Adequate provision has been made in respect of these lines in the Budget estimates for 1955-56. A provision has also been made in the Budget estimates for the construction of a Broad Gauge rail connection to Etah.

As regards the Bhavnagar-Tarapur line, the Traffic Survey has been completed. The provision of a Broad

Gauge connection to Rajkot has since been suggested by the State Government. This necessitates a re-examination of the matter, together with the connected problems of transhipment in view of the existence of a network of Metre Gauge lines in Saurashtra, before undertaking an engineering survey.

34. The other lines, surveys of which have been completed, are still under examination. An aerial survey of the West Coast is also in progress to determine the possibility of railway communication in that area.

35. The following dismantled lines have been restored during the current year:—

- (a) Angadipuram-Nilambur (Southern Railway).
- (b) Unao-Madhoganj (Northern Railway).
- (c) Usilampatti-Bodinayakkanur (Southern Railway).
- (d) Nagrota-Jogindernagar (Northern Railway).
- (e) Bhagalpur-Mandar Hill (Eastern Railway).
- (f) Sultanpur-Zafarabad (Northern Railway).

The House will appreciate that we have been able to restore completely ten out of the twelve dismantled lines, the restoration of which was approved by the Central Board of Transport. Work on the Utraitia-Sultanpur section, now in progress, is expected to be completed during 1955-56. Restoration of the twelfth line, namely, Rohtak-Gohana-Panipat, had to be postponed in order to release funds for the provision of a rail link to Chandigarh, the new capital of the Punjab. The question of the restoration of this line is under review.

LINE CAPACITY WORKS

36. The House will remember that I mentioned last year about the special steps taken to increase the line capacity on congested sections of railways to meet the needs of the current and the anticipated increase in traffic. A provision of Rs. 6·1 crores has been made for line capacity works in the Budget for 1955-56 as against Rs. 2·1 crores in 1953-54 and Rs. 3·3 crores in 1954-55. I may indicate the position with regard to the works I referred to in my last Budget speech. The Siliguri-Alipur

Duar section of the Assam Rail Link is nearing completion. Bezwada-Madras section of the Southern Railway on which a sum of Rs. 4 crores is being spent, including the remodelling of Bezwada yard and the conversion of Gudur-Renigunta section from Metre gauge to Broad gauge has been taken in hand and a crore has been provided for these works in the Budget year. The Central India Coalfields, Katni-Marwara and Raichur-Arkonam section and the doubling of Anara-Joychandipahar-Burnpur and Sini-Gomharria sections are in progress.

37. Other important works sanctioned or in progress during the current financial year are:—

- (a) Doubling of the line between Dilkusha and Utrairitia;
- (b) Remodelling of the marshalling yard at Ratlam on Western Railway; .
- (c) Remodelling of the yard at Sabarmati:
- (d) Doubling of Ahmedabad-Kalol section on the Western Railway; and
- (e) Works in connection with stepping up movement of goods from 1,500 to 2,000 wagons per day via Moghalsarai.

38. Among the many new line capacity works provided in the Budget estimates for 1955-56, the following important schemes may be mentioned:—

- (a) Doubling of Rourkela-Manoharpur section (Eastern Railway),
- (b) Improvement of line capacity in north-west and south-west lines (Southern Railway),
- (c) Chakradharpur yard remodelling (Eastern Railway),
- (d) Asarva yard remodelling (Western Railway), and
- (e) Phulera yard remodelling (Western Railway).

It is my desire that these line capacity works should, as far as possible, be completed within the current Plan period

itself and I am asking the Railway Board to work on that basis.

39. A provision of more than Rs. 4 crores has been made for the construction of staff quarters during 1955-56 as in the current financial year. The total provision under staff quarters and other staff amenities amounts to Rs. 5·33 crores. The substantial contribution towards staff housing problems made by the Railways will be clear from the fact that during the three years 1952-55 Railways would have completed more than 24,000 quarters and provision has been made for the construction of nearly 10,000 quarters in 1955-56.

40. The usual provision of Rs. 3 crores for passenger amenity works has been included in the estimates for 1955-56. As during the past year, greater emphasis is being laid on improvements in medium and small sized stations. A small booklet giving information regarding important items of work carried out during the current year and proposed for the next year is being circulated to Hon'ble Members.

FIVE YEAR PLAN

41. At this stage, it may be useful to indicate briefly how the first Five Year Plan has been implemented so far. During the first four years of the Plan, the Railways would have incurred an expenditure of nearly Rs. 291 crores. Provision has been made to spend Rs. 126·68 crores in 1955-56. I have no doubt that the Railways would be able to spend the total amount of Rs. 400 crores allotted to them by the end of the First Five Year Plan. The expenditure may perhaps exceed this by about Rs. 18 crores, if the deliveries of rolling stock on order from abroad are maintained according to schedule. Out of the total estimated expenditure of Rs. 418 crores, we have been able to find about Rs. 266 crores from current railway revenues, the balance of Rs. 152 crores being financed by General Revenues.

42. A Planning Cell has been recently set up in the Railway Board's Office and placed under the charge of a special

officer. Senior technical officers have also been attached to the Board. Their main task will be to formulate the Railways' Second Five Year Plan and give the necessary guidance to the Railways. Progress reports will be carefully studied with a view to eliminating impediments to the rapid progressing of the Plan. Necessary material is being collected in consultation with other Ministries concerned and the Planning Commission for drawing up the Railways' Second Five Year Plan. Instructions have also been issued to the General Managers of the Railways to set up similar units on their systems.

43. It is as yet premature to refer to our ideas regarding the rail transport aspect of the Second Five Year Plan as they are still in the consideration stage. The programme has to be carefully laid out in consultation with the Planning Commission as well as Governments of the various States. A few States have yet to send us their proposals. The programme has to be planned on a big scale not only to meet the needs of our developmental economy but also to open up new areas which so far have remained without rail transport facilities.

It is obvious that in order to meet satisfactorily the overall transport requirements of the country, whether in respect of goods or passengers, it is essential to plan for adequate expansion not only of the Railways but also of other forms of surface transport, namely, the road, inland water and sea. Railways cannot and will not lag behind developments in other sectors of the economy. I may also assure the House that they are keenly alive to their great responsibilities and are determined to play their role as the spearhead amongst the instruments of transportation in the country.

44. Needless to say, it is essential to promote maximum co-ordination among the various means of transport and this matter is already engaging the attention of the Transport Ministry which has constituted a Study Group. Railways are also represented on it. As the Study Group might take some-

time to produce its report, I have considered it desirable to examine one of the aspects shortly. I refer to the possibility of co-ordination between the Railways and the coastal shipping in order to promote the development of the latter on sound lines. I intend setting up shortly a Committee in order to examine certain specific suggestions that have been put forward. The Committee will also undertake a comprehensive examination of the comparative costs of operation on competitive routes by rail and by sea and advise on the steps to be taken to promote transportation by coastal shipping of commodities which are specially suited to this type of transport.

45. Although our plans for new constructions may yet take some time to be finalized, I am asking the Railways to take preliminary steps from now on so that actual construction work might start from the beginning of the Second Five Year Plan. Accordingly, as already stated, a number of surveys will be undertaken during 1955-56 of new lines and doubling of existing lines and also a number of earlier survey reports will be brought up-to-date. Provision made in the Budget covers new surveys or bringing old surveys up-to-date in respect of about 1,300 miles of new lines and nearly 900 miles of doubling of heavily worked sections. As an alternative to doubling, investigations as to the possibilities of developing parallel routes which might open up new areas are also being made. The House will find the details of the proposed surveys listed in Appendix XI to the Explanatory Memorandum.

TRANSPORTATION POSITION

46. I referred earlier to the improvement in both movement and traffic during the current year. The passenger train miles on the Broad Gauge during the first six months of 1954-55 increased from 31.7 million during the corresponding period of 1953-54 to 32.3 million. On the metre gauge the increase has been from 18.7 million to 19.1 million train miles. In the field

of goods transportation the improvement has been even more pronounced. Goods train miles on the Broad Gauge have risen from 25·4 million during the first six months of 1953-54 to 26·7 million during the corresponding period of the current year, an increase of 5·12 per cent. On the metre gauge the train mileage over the same period has increased from 9·9 million to 10·1 million. Wagon loadings are on the increase. The average daily coal loadings during April—December 1954 have risen by 190 wagons in the Bengal and Bihar Coalfields and by 230 wagons taking all the coalfields together. Coal movements beyond Moghalsarai have registered an increase of 99 wagons per day as compared with last year. Transhipments have been improved, and the movement of goods has been speeded up. The revenue-earning tonnage lifted during the first nine months of the year has recorded an overall increase of about 2·6 per cent. over the corresponding figure of the previous year.

47. With a view to speeding up long distance goods movement, Express Goods Trains have been introduced on all the main trunk routes running to fixed schedules as publicly notified. I am fully conscious of the leeway yet to be made up, particularly in regard to the difficulties in movement over certain sections. I have already explained to the House the steps proposed to be taken for meeting these difficulties.

48. The Efficiency Bureau to which I made a reference in my Budget speech last year has studied a number of problems during the year. Apart from the steps indicated by it towards the more economic use of wagons, its suggestions regarding the speeding up of goods trains and the rationalised use of the facilities available at certain transhipment points and of new routes to ensure minimum detention to wagons have resulted in an appreciable improvement. I propose to extend the activities of the Bureau to cover other important aspects of railway working.

ACCIDENTS

49. The House may be interested to know what Railways are doing to promote safety of travel. Figures go to show that the number of accidents on Railways is going down, though unfortunately we had one of the worst accidents near Hyderabad in September last. Quite a few of those which occurred in the current year were on account of non-observance of the normal safety rules. The human element is liable to err but all mechanical and other devices must be provided to minimise the incidence of such errors. The system of interlocking or other necessary safety devices will have to be extended over the whole of the Railways in accordance with a scheduled programme. I have, therefore, decided to set apart at least one crore each year for this work and the execution of these works would be given very high priority.

TOWARDS SELF-SUFFICIENCY IN RAILWAY EQUIPMENT AND SUPPLIES.

50. The implementation of the policy of self-sufficiency in the matter of rolling stock has progressed satisfactorily. Already a total of 200 locomotives has been turned out by the Chittaranjan Locomotive Works. During the current financial year, the Works will have turned out 98 locomotives as against 64 in the preceding year. This is equivalent to a production of 120 average-sized locomotives which was the target for the Works. The production capacity of the Works is now being increased to 200 locomotives. The Telco have also been advised to increase their production from 50 to 75 metre gauge locomotives and I think they should even be prepared to raise it to 100.

51. The programme of building of, and the procurement of machinery and plant for, the Perambur Integral Coach Factory to go into production in the course of the Budget year, the phasing of annual production being from 20 coach shells in 1955-56

to 350 in 1959-60. When full production is attained in this factory, we would have reached a land mark in the programme of self-sufficiency in coaching stock. The manufacture of coaches in Railway Workshops is also being stepped up and the possibility of a further increase is being examined by the Workshop Reviewing Committee recently set up who have already submitted an interim report. The question of the indigenous manufacture of electric multiple coaches is also under consideration.

Wagon building is mostly confined to the private sector. We gave the wagon builders an assurance some time ago of our willingness to purchase 12,000 wagons a year for five years. Railways would be prepared to increase the orders placed with them if they show evidence of capacity to produce more. This should go far towards enabling Indian firms to prepare their plans ahead and increase their production capacity. I would refer in this connection to the shortage of special type wagons which are likely to be required in the country. I hope that the wagon building firms would consider the manufacture of such stock also.

As regards the manufacture of parts and components now being imported, although some progress has been made, much still remains to be done. I have recently appointed a Committee, with Shri G. B. Kotak as Chairman, to go into this problem and submit its recommendations early.

PASSENGER AMENITIES

52. The policy of the Railways in regard to the provision of amenities on the trains and at the stations, I am glad to say, has been generally welcomed in the country. The House should be aware of the appointment of an officer on each Railway with the status of a Deputy General Manager to deal with matters relating to the provision of amenities and facilities

to the public generally. I look forward to a substantial improvement in the standard of amenities so provided and in the maintenance of proper cleanliness at stations and in carriages as a result of outdoor inspections and other activities of these officers.

53. I shall not detail the various items of amenities sought to be provided, as most of them are known to the House. I would, however, like to refer to a few important ones :

The introduction of sleeping accommodation for third class passengers and the abolition of the distinction which used to prevail between different classes of passengers in the matter of the use of dining cars, retiring rooms, exits, etc. has been greatly appreciated. New "Sleeping" coaches are being built with more conveniently designed berths, better lighting arrangements and an additional wash basin.

A new type of Retiring rooms would be provided at important stations, the charges for which would be low but with all the usual conveniences.

The possibility of running a vestibuled Third class Janata rake, in order to assess its advantages, is also being examined. This would help to reduce overcrowding in individual compartments, and also minimise ticketless travelling.

A concentrated drive will be made to provide raised platforms wherever necessary. This work would be taken up first where voluntary labour is forthcoming. The Railways would welcome such voluntary co-operation and be prepared to supplement it by their own contribution.

The question of overcrowding in third class has still to be tackled over certain sections. The increased supply of coaches and locomotives should go a long way towards giving relief. Among the important steps proposed to be taken are the use of Diesel rail cars over short distances and increase in the

number of shuttle trains. Diesel rail-cars have already arrived and are being allotted to those Railways that need them most.

In order to tackle the excessive overcrowding during peak hours in the suburban services at Bombay, Calcutta and Madras, I have decided to set up a small Committee to investigate the problem and suggest remedial action.

CATERING

54. A Committee was appointed under the Chairmanship of the Deputy Minister, Shri O. V. Alagesan, to examine all aspects of catering and to devise appropriate measures for effecting all-round improvement in the catering arrangements on Railways. I need not detail here the important recommendations of the Committee including the one to the effect that Railways with no departmental catering should start with an experimental departmental service. In the matter of inspecting catering establishments with a view to ensuring proper quality and service, I have suggested to the Railway Board that they should arrange for non-officials to be associated in a suitable manner. Regarding the "standard menu" recommended by the Committee, I have asked for an examination to be made as to whether it would be feasible to evolve a standard menu on the basis of regional tastes and requirements so that the maximum number of people in all parts of the country could be satisfied. I have also suggested that priority should be given to the replacement and re-equipping of dining cars. The vending contracts have to be specially attended to, as they cater to the largest number of passengers. I should, therefore, like to encourage the sale of food packets containing puries, etc., of good quality. Healthy, simple snacks should be supplied and the standard of quality and the price to be charged for these packets should be settled carefully so that they are within the reach of all classes of passengers.

COMPENSATION CLAIMS

55. The improvement referred to in my Budget Speech last year regarding disposal of compensation claims for goods lost or damaged has been maintained. There has also been a decrease

in the amount paid from Rs. 3·19 crores in 1952-53 to Rs. 2·89 crores in 1953-54. This reduction is due to the various preventive measures adopted by the Railways. Attention is being concentrated on the liquidation of old cases.

RAILWAY SECURITY ORGANISATION

56. The House may recollect that last year, I had referred in my Budget speech to the appointment of a Security Adviser to the Railway Board and the proposal to appoint officers of the rank of Deputy Inspector General of Police in the Security Organisation of each of the Railways in order to bring about an improvement in the existing organisation and security arrangements. I had also stated that arrangements were being made for the training of staff to make the Railway Security Force a really efficient organisation. All these proposals are being implemented. The House will, however, appreciate that prevention of losses due to thefts is essentially a question of law and order. It is considered that speedy and effective results will be achieved if the Security Force is vested with powers to arrest, search and investigate and a part of it is properly armed. This matter is under examination. For the present, the Watch and Ward Organisation on the Railways does not appear to be equal to the task entrusted to it and I am clear in my mind that it cannot be relegated to a position of inferiority as compared with other agencies which are more or less given charge of the same type of work. This Force is being reorganised and it is proposed to give it additional powers and status to increase its effectiveness. The advisability of having a suitable cadre, in which the officers and staff might look for higher posts and promotions, is under consideration.

KHADI

57. I am glad to report that the Railways have taken keen interest in encouraging the use of Khadi to which I made a special reference in my speech last year. The list of articles for which Khadi cloth can advantageously be substituted has

been increased and the Khadi Board has been supplied with a list of mill manufactured items in order to enable it to select a few varieties of cloth for which Khadi substitutes could be developed and manufactured to meet the railways' requirements. I hope it will be possible to use Khadi cloth in lieu of the mill made variety for the supply of uniforms to Class IV staff which represents by far the largest proportion of the demand by Railways. This would mean taking up large quantities of khadi which, I hope, will be forthcoming.

REGROUPING

58. The policy decision of my distinguished predecessor, the late Shri Gopalaswamiji, in the matter of regrouping of the railways was a step in the right direction. The integration of a motley group of Railways of varying sizes was inevitable, not only in the best interests of railway administration but also in the larger and wider interests of the country as well. I think it is time that we accepted that as a settled fact. We have, of course, to recognise that more and more work will fall on the Railways as their development progresses. During the Budget debates last year, I had stated that I would entrust the examination of various aspects of performance of the regrouped Railways to the Efficiency Bureau which had just then been set up. The Bureau's examination confirms that the work load of the Zonal Railways, after Regrouping, has increased and in certain cases has become quite heavy. I am, however, glad to say that in spite of this load, Railways have maintained a fairly good standard of efficiency. The work load aspect, however, is a matter which will need to be kept under continuous and careful review. In a developing economy, the organisational set-up of the Railways cannot obviously remain static, and I can assure the House that it shall always be my endeavour to ensure that they are so organised as to be in a position to provide adequate transport and to maintain a high standard of efficiency.

COMMITTEE ON FREIGHT STRUCTURE

59. The present freight structure has been a subject matter of some controversy and there has been a persistent demand for its review and re-examination. In the present budget proposals I have not touched the problem in its wider context and have merely confined myself to making certain limited adjustments in rates and fares. But in order to examine the problem in its various aspects, I am considering the advisability of appointing a Committee to go into it.

NEW CONCESSIONS IN FARES

60. We have been following in recent years a liberal policy of giving concessions, particularly in connection with travel for educational purposes and other nation building activities. The financial effect of these concessions is partially reflected in the fact that the average amount earned per passenger during 1953-54 has decreased from 5.22 pies to 5.17 pies per mile. The concessions generally available for students have been extended to those who have completed their school or university education and ceased to be on the rolls of their respective institutions up to a period of three months after their examinations. In the case of students' special trains the minimum charges prescribed for ordinary special trains will not be levied as it has been found that students and educational institutions cannot ordinarily afford to pay these charges. The usual minimum charges for such special trains are, therefore, being waived when the party is not less than 400.

I propose also that the same concession should be extended to parties of kisans sponsored by State Governments.

The concessional round-tour tickets available for students travelling in parties of not less than four have been extended to teachers of primary and secondary schools.

Those undertaking journeys to National Extension Service Centres for giving voluntary service or returning home after giving such service have been granted the usual concessions.

In case of excursion and pilgrimage special trains for distances of 1,500 miles or over, fares have been prescribed at three-fourths of the ordinary rate and charges for detention of the stock *en route* have been waived for the first 12 hours of day-light at each halting station.

I also propose to re-introduce for the first time since the War, holiday return tickets at concessional fares for the next Dussehra and Diwali festivals.

The necessity for a reduction in the charge for platform tickets has been referred to on a number of occasions on the floor of both the Houses. I propose to reduce this charge from two annas to one anna with effect from 1st April, 1955.

STAFF MATTERS

61. *Ex-States' Railway Officers*.—The fitting in of the officers of the *ex-State* Railways into the seniority lists of the Railways established after regrouping in 1951 and 1952 has, as the House will appreciate, presented a number of difficulties. The formulation of a uniform rule in the circumstances is difficult and no solution can obviously be entirely free from criticism. The matter has, however, been reviewed recently and orders are being issued which I hope will be acceptable to all the interests concerned.

62. *Class II Service*.—Reference has been made on more than one occasion to the promotion of officers of the Class II Service to the Class I Service. The quota reserved for promotion vacancies in the Class I Service is now being fully implemented. I may tell the House that against a quota including arrears during the last four years totalling 91 vacancies, 80 promotions have already been ordered, 11 being under consideration with the Union Public Service Commission. According to the Railway Board's revised procedure, the promotion vacancies will be filled simultaneously with, or shortly after, the filling up of the direct vacancies. The selection of about 35 Class II officers for promotion to the Class I Service

pari passu with direct recruitment now in progress has already been taken in hand.

63. *Combined seniority lists*.—The combined seniority lists of staff on the regrouped railway systems are either complete or nearing completion and the completed lists are being published. Thereafter, the representations submitted by the staff or by Unions will be considered. It is possible that minor variations of the general principles that have been prescribed in consultation with organised labour for the fixation of seniority may have to be adopted in different areas to suit the special conditions existing there. It is proposed, therefore, in consultation with the Federation and the Unions concerned, to permit the respective Railway Administrations to adopt such minor variations as will ensure that any anomalies arising from the application of the rules are reduced to the minimum in each area. The understanding will be that the decisions taken by each zonal Railway Administration in consultation with organised labour on a system will be treated as final.

64. *Selection Posts*.—As mentioned in my budget speech last year, all posts in the grade of Rs. 200—300 and above are now treated as selection posts, as also certain specific categories in the grade of Rs. 150—225 which involve supervision and a degree of personal responsibility. I have given further thought to the matter and consider that there is need for greater flexibility in the drawing of a dividing line between selection and non-selection posts. I am suggesting to the Railway Board that a detailed list of posts should be drawn up in consultation with organised labour.

65. *Ad hoc Tribunal*.—Hon'ble Members would recall the appointment of an *ad hoc* Tribunal to dispose of certain matters on which the Railway Board and the Railway Federation were unable to come to an agreement. The sittings of the Tribunal are likely to commence shortly. I have thought it proper to consider referring to this Tribunal any unresolved issues of

importance that may have accumulated in the interim. It is proposed to settle the list of additional items, if any, after discussion with the Indian National Railway Workers' Federation.

66. *Staff Benefit Fund*.—I have under consideration a proposal to raise the contribution from Railway Revenues to the Staff Benefit Fund, in order to afford greater scope to the Administrations concerned to spend money on the objectives of the Fund. These are to give educational assistance when no such assistance is admissible under the normal rules, to provide facilities for recreation and amusement for the staff and their children, to relieve distress amongst the members or *ex-members* of the staff or their families to the extent to which such relief cannot be provided for under the normal rules, and to assist schemes for sickness or maternity benefits to the families of the staff. I hope to take a final decision shortly.

67. *Railway colonies, etc.*.—I would make a brief reference to the policy we intend to pursue in regard to railway colonies. Except at the larger centres, railway colonies have grown up in a haphazard manner without a planned lay-out providing for recreation centres, parks, etc. Railway Administrations have now been directed to pay greater attention to this matter, particularly in view of the fact that we are attempting speedy construction of a very large number of staff quarters. It would indeed be desirable if these are built in the form of a number of sizeable colonies.

68. Amongst the staff amenities we have under consideration is the opening of rest homes for the staff at suitable hill stations or seaside resorts or other pleasant surroundings where they can spend their holidays inexpensively and in reasonable comfort.

69. *Medical facilities, staff training, etc.*.—The provision of adequate medical facilities for Railway employees has been engaging my constant attention and I do not want to take the

time of the House in dilating upon this subject. I have, however, felt for some time the urgent need of central and coordinated direction from the Railway Board of the Medical Services on the Railways. Consideration is, therefore, at present being given by the Railway Board to the matter of appointing a Special Officer to ensure speedy examination of the various reports for the improvement of medical facilities, to plan for the future expansion of such facilities and to progress action on the decisions taken.

70. The training and education of workers in every branch of the Railways is a matter to which I have always attached much importance. New training institutions are being opened and the old ones enlarged to train up all new recruits before they are appointed to posts for which prior training is necessary. Similarly, refresher courses will also be provided for those who are already in service. They should be made familiar with the latest technique and developments so that they could keep up a high standard of efficiency.

LABOUR RELATIONS

71. I am happy to say that the best of relations have been maintained by the Administration with the workers and the Federation throughout the year. There is commendable unity prevailing amongst railwaymen. I wish that this sense of unity will be carefully preserved. This will enable them to forge ahead and make their accredited Federation stronger still. Sometimes personal differences or other factors create difficulties, but it is hoped the leaders would be able to overcome them. I have no doubt that this unity has made the Federation really more effective and helped in producing better results.

72. Problems between labour and management there will always be. Indeed, it is a natural and never-ending process. But, both the Federation and the Railway Administration should have a living faith in the common cause, namely, the

country's progress and prosperity. I would appeal to all concerned to make a success of the Negotiating Machinery we have recently set up. For my part I am prepared to help in solving difficulties that come in the way of the satisfactory working of the Machinery, and I shall take concrete steps in this regard immediately in consultation with the Federation.

73. Before concluding, I would like to express my appreciation of the help and cooperation that I received from the Members of the Railway Board who completed their tenures in September, 1954. They were in charge during a most difficult period in the history of Indian Railways and they performed their duties creditably. The Board has been reconstituted with an additional Member and more powers to the Chairman, who has been vested with the functions and powers of the former Chief Commissioner of Railways. I take this opportunity to welcome the new Members of the Board, who have already taken to their new duties with zeal and earnestness.

74. Howsoever well equipped the Railways may otherwise be, their efficient working depends mainly on those who actually run them. If they are not up to the required standard, if they have not caught the spirit of the times and if they do not basically believe in the democratic approach, Railways would lose dynamism and not have served their full purpose. I need not therefore remind railwaymen, officers and workers alike, of their continued obligation to maintain and foster the development of the highest ideals of service to their countrymen in the performance of their duties.

GOVERNMENT OF INDIA
BUDGET
of the
Railway Revenue and Expenditure of the
Central Government
For 1955-56

(As presented)

MINISTRY OF RAILWAYS; } P. C. BHATTACHARYYA,
New Delhi, the 22nd February, 1955. } Financial Commissioner for Railways.

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I.—Statement of the Revenue of the Central Government from Railways

(In thousands of rupees)

HEADS OF REVENUE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase(+) Decrease(—) as compared with Budget, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.
XV.—Indian Government Railways—					
Gross Receipts—					
Passenger Earnings—					
Upper	11,69,80	11,40,20	10,70,00	-70,20	11,00,00
Third	88,29,96	90,10,97	91,10,00	+99,03	93,50,00
Other Coaching Earnings . . .	18,01,07	17,50,20	19,00,00	+1,49,80	18,00,00
Goods Earnings	1,47,18,16	1,48,59,90	1,56,00,00	+7,40,10	1,63,90,00
Sundry Other Earnings . . .	5,17,47	5,07,20	5,30,00	+22,80	5,70,00
TOTAL EARNINGS	2,70,36,46	2,72,68,47	2,82,10,00	+9,41,53	2,92,10,00
Suspense	3,92,81	56,93	70,00	13,07	40,00
Gross Receipts of Indian Government Railways	(a) 2,74,29,27	(b) 2,73,25,40	(c) 2,82,80,00	+9,54,60	(d) 2,92,50,00
Deduct—					
Working Expenses of Indian Government Railways	2,31,47,21	2,24,30,39	2,32,75,78	+8,45,39	2,41,58,42
Payments to Worked Lines—					
(i) Net earnings	29,03	22,37	19,31	-3,06	20,81
(ii) Rebate etc. . . . .	..	10	10	..	..
Net Receipts	42,54,03	48,72,54	49,84,81	+1,12,27	50,70,77
XVI.—Subsidised Companies—					
Government share of surplus profits etc.	3,76	4,03	4,92	89	3,43
XVI-A.—Miscellaneous Railway Receipts—					
Miscellaneous receipts	27,17	26,65	1,73	-24,92	1,70
XVI-B.—Transfer from Railway					
XVI-B.—Transfer from Railway Revenue Reserve Fund . . . .	..	..	..	..	..
TOTAL RECEIPTS	42,84,96	49,03,22	49,91,46	+88,24	50,75,90

(a) Includes 86,82 earnings of worked lines.

(b) " 74,88 " " " "

(c) " 63,36 " " " "

(d) " 65,73 " " " "

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase(+) Decrease(—) as compared with Budget, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.
15. Indian Government Railways—					
Interest—					
On Government Capital at-Charge . . .	..	..	..		..
On Capital Contributed by Indian States and Companies . . .	..	..	..	..	..
TOTAL INTEREST . . .	..	..	..	..	..
15. (C) Subsidised Companies—					
Land . . .	7	7	7	..	7
Subsidy . . .	6,81	7,77	7,38	-39	8,19
15. (D & E) Miscellaneous Railway Expenditure . . .	1,48,62	1,69,30	1,68,85	-45	1,77,99
15. (I) Open Line Works—Revenue . . .	4,37,98	6,62,19	6,61,74	-45	5,68,32
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus . . .	..	..	..	..	7,14,17
15. (H) Appropriation to Railway Development Fund from Surplus . . .	2,55,71	5,14,04	6,57,10	+1,43,06	..
15. (J) Appropriation to Railway Depreciation Reserve Fund from Surplus . . .	..	..	..	..	..
15. (K) Dividend to General Revenues . . .	34,35,77	35,49,85	34,96,32	-53,53	36,07,16
TOTAL . . .	42,84,96	49,03,22	49,91,46	+88,24	50,75,90

3.—Distribution of Railways Surplus 1954-55 and 1955-56

(In thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.
Surplus	2,55,71	5,14,04	6,57,10	7,14,17
Railway Development Fund . . .	2,55,71	5,14,04	6,57,10	..
Railway Revenue Reserve Fund . .	..	..	..	7,14,17
Railway Depreciation Reserve Fund .	..	..	..	..

RAILWAY BUDGET AS PRESENTED

4.—Statement of the Capital Expenditure of the Central Government on Railways

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase(+) Decrease(—) as compared with Budget, 1954-55	Budget Estimate, 1955-56
					Rs.
Railway Capital not met from Revenue :—		Rs.	Rs.	Rs.	Rs.
67.—Construction of State Railways :—					
Open Line Works—					
Rolling Stock . . .	9,38,04	24,08,26	25,36,23	+1,27,97	55,29,21
Other Works . . .	5,55,13	10,40,23	9,14,53	-1,25,70	11,10,18
New Construction . . .	81,17	2,56,86	2,10,52	-46,34	6,65,73
Suspense . . .	-3,92,93	-2,48,27	-4,66,09	-2,17,82	2,18,07
Miscellaneous . . .	3,28	1,20,00	54,00	-66,00	1,84,18
Probable Savings . . .	..	-1,84,53	..	+1,84,53	-10,98,35
TOTAL . . .	11,84,69	33,92,55	32,49,19	-1,43,36	66,09,02

5.—Statement of the Capital Expenditure of the Central Government on Vizagapatam Port

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase(+) Decrease(—) as compared with Budget, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.
Vizagapatam Harbour Capital not met from Revenue :—					
3.—Capital outlay on Vizagapatam Port :—					
I. Land	—76	9,25	—86	—10,11	32
II. Waterways . . .	10	3,00	15	—2,85	1,28
III. Docks and Berths .	10,19	32,19	16,18	—16,01	84
IV. Broad Gauge Railways	—17	3,00	1	—2,99	16
V. Ferries . . . .	..	..	..	..	..
VI. Manganese Facilities .	66	13	64	+51	80
VII. Plant	3,93	2,50	4,22	+1,72	1,66
VIII. Floating Crafts .	46	2,71	1,15	—1,56	1,96
IX. Buildings . . . .	..	2,36	2,05	—31	2,32
X. Oil Facilities . . . .	..	..	23,22	+23,22	52,00
XI. Suspense	—2,24	1,00	1,00	..	..
TOTAL	15,42	56,14	47,76	—8,38	61,34

A.—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of Rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56		Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance	*1,16,83,70	1,07,86,53	1,12,79,12	1,02,67,69	Appropriation from Depreciation Reserve Fund	38,02,13	43,29,75	43,86,63	41,97,79
Appropriation to Depreciation Reserve Fund	(a) 30,36,30	(b) 39,37,95	(c) 30,36,92	(d) 35,37,79	Closing Balance	1,12,79,12	98,16,19	1,02,67,69	99,30,66
Interest on Depreciation Reserve Fund	3,61,25	3,21,46	3,38,28	3,22,97					
TOTAL	1,50,81,25	1,41,45,94	1,46,54,32	1,41,28,45		1,50,81,25	1,41,45,94	1,46,54,32	1,41,28,45

*Includes 9,40,30 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

(a) Includes 36,30 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(b) Includes 37,95 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(c) Includes 36,92 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(d) Includes 37,79 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

B.—RAILWAY REVENUE RESERVE FUND

	Accounts, 1953-54	Budget, Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56			Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate 1955-56
	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.
Opening Balance	(a) 36,0496	(d) 37,17,73	(c) 37,17,53	(g) 38,36,44	Appropriation from Rail- way Revenue Reserve Fund					
Appropriation to Railway Revenue Reserve Fund from Surplus	..	..	..	7,14,17	Closing Balance	..	..	..	..	..
Interest on Railway Re- venue Reserve Fund	(b) 1,12,57	(e) 1,17,77	(f) 1,18,91	(h) 1,16,43			(c) 37,17,53	(d) 38,35,50	(g) 38,36,44	(h) 46,87,04
TOTAL	37,17,53	38,35,50	38,36,44	46,87,04		Total	37,17,53	38,35,50	38,36,44	46,87,04

(a) Includes 39·70 lakhs on account of investment in shares of and loans to Branch Line Companies, and 221·67 lakhs provisional on account Indian State Railways taken over from 1-4-1950.

(b) Includes 0·71 lakhs on account of interest and dividends and gain etc. on investments.

(c) Includes 45·85 lakhs on account of investments in shares of and loans to Branch Line Companies.

(d) Includes 47·18 lakhs on account of investments in shares of and loans to Branch Line Companies.

(e) Includes 1·39 lakhs on account of interest and dividends etc. on investments.

(f) Includes 1·85 lakhs on account of interest and dividends etc. on investments.

(g) Includes 51·68 lakhs on account of investments in shares of and loans to Branch Line Companies.

(h) Includes 1·79 lakhs on account of interest and dividends etc. on investments.

C.—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance . .	*27,13,39	18,61,27	20,61,97	15,61,77	Appropriation for Dev- elopment Fund . .	9,80,94	10,59,37	12,14,19
Appropriation to Develop- ment Fund from Surplus	2,55,71	5,14,04	6,57,10	..	Closing Balance . .	20,61,97	13,66,30	3,60,82
Interest on Development Fund . .	73.81	50.36	56.89	30.74				
TOTAL . .	30,42,91	24,25,67	27,75,96	15,92,51	TOTAL . .	30,42,91	24,25,67	27,75,96

* Includes 55,62 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

GOVERNMENT OF INDIA
BUDGET
of the
**Railway Revenue and Expenditure of the
Central Government**
For 1955-56

(As finally adopted)

MINISTRY OF RAILWAYS; } P. C. BHATTACHARYYA,
New Delhi, the 18th May, 1955. } Financial Commissioner for Railways.

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I.—Statement of the Revenue of the Central Government from Railways

(In thousands of rupees)

HEADS OF REVENUE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate 1954-55	Increase (+) Decrease (-) as compared with Budget, 1954-55	Budget Estimate, 1955-56
XV.—Indian Government Railways—		Rs.	Rs.	Rs.	Rs.
Gross Receipts—					
Passenger Earnings—					
Upper	11,69,80	11,40,20	10,70,00	-70,20	11,00,00
Third	88,29,96	90,10,97	91,10,00	+99,03	93,50,00
Other Coaching Earnings .	18,01,07	17,50,20	19,00,00	+1,49,80	18,00,00
Goods Earnings . . .	1,47,18,16	1,48,59,90	1,56,00,00	+7,40,10	1,63,90,00
Sundry Other Earnings .	5,17,47	5,07,20	5,30,00	+22,80	5,70,00
TOTAL—EARNINGS .	2,70,36,46	2,72,68,47	2,82,10,00	+9,41,53	2,92,10,00
Suspense	3,92,81	56,93	70,00	13,07	40,00
Gross Receipts of Indian Government Railways . . .	(a) 2,74,29,27	(b) 2,73,25,40	(c) 2,82,80,00	(d) +9,54,60	2,92,50,00
Deduct—					
Working Expenses of Indian Government Railways . . .	2,31,47,21	2,24,30,39	2,32,75,78	+8,45,39	2,41,58,4
Payments to Worked Lines—					
(i) Net earnings . . .	28,03	22,37	19,31	-3,06	20,81
(ii) Rebate etc. . .	..	10	10	..	..
Net Receipts . . .	42,54,03	48,72,54	49,84,81	+1,12,27	50,70,77
XVI.—Subsidised Companies—					
Government share of surplus profits etc. . . .	3,76	4,03	4,92	89	3,43
XVI-A.—Miscellaneous Railway Receipts—					
Miscellaneous receipts . . .	27,17	26,65	1,73	-24,92	1,70
XVI-B.—Transfer from Railway Revenue Reserve Fund . . .	..	..	..	..	..
TOTAL—RECEIPTS . .	42,84,96	49,03,22	49,91,46	+88,24	50,75,90

(a) Includes 86,82 earnings of worked lines.

(b) „ 74,88 „ „ „

(c) „ 63,36 „ „ „

(d) „ 65,73 „ „ „

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) Decrease (-) as compared with Budget, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.
15. Indian Government Railways—Interest—					
On Government Capital-at-Charge . . . . .	..	..	..	..	..
On Capital Contributed by Indian States and Companies . . . . .	..	..	..	..	..
TOTAL INTEREST . . . . .	..	..	..	..	..
15. (C) Subsidised Companies—					
Land	7	7	7	..	7
Subsidy	6,81	7,77	7,38	-39	8,19
15. (D & E) Miscellaneous Railway Expenditure	1,48,62	1,69,30	1,68,85	-45	1,77,99
15. (I) Open Line Works—Revenue	4,37,98	6,62,19	6,61,74	-45	5,68,32
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus . . . . .	..	..	..	..	7,14,17
15. (H) Appropriation to Railway Development Fund from Surplus	2,55,71	5,14,04	6,57,10	+1,43,06	..
15. (J) Appropriation to Railway Depreciation Reserve Fund from Surplus . . . . .	..	..	..	..	..
15. (K) Dividend to General Revenues	34,35,77	35,49,85	34,96,32	-53,53	36,07,16
TOTAL	42,84,96	49,93,22	49,91,46	+88,24	50,75,90

3.—Distribution of Railway Surplus 1954-55 and 1955-56

(In thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget, Estimate 1955-56
	Rs.	Rs.	Rs.	Rs.
Surplus	2,55,71	5,14,04	6,57,10	7,14,17
Railway Development Fund	2,55,71	5,14,04	6,57,10	..
Railway Revenue Reserve Fund	..	..	..	7,14,17
Railway Depreciation Reserve Fund	..	..	..	..

4.—Statement of the Capital Expenditure of the Central Government on Railways
 (In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) Decrease (-) as compared with Budget, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not met from Revenue :—					
67.—Construction of State Railways :—					
Open Line Works—					
Rolling Stock . . .	9,38,04	24,08,26	25,36,23	+ 1,27,97	55,29,21
Other Works . . .	5,55,13	10,40,23	9,14,53	- 1,25,70	11,10,18
New Construction . . .	81,17	2,56,86	2,10,52	- 46,34	6,65,73
Suspense . . .	-3,92,93	-2,48,27	-4,66,09	- 2,17,82	2,18,07
Miscellaneous . . .	3,28	1,20,00	54,00	- 66,00	1,84,18
Probable Savings] . . .	..	-1,84,53	..	+ 1,84,53	-10,98,35
TOTAL . . .	11,84,69	33,92,55	32,49,19	- 1,43,36	66,09,02

**5.—Statement of the Capital Expenditure of the Central Government on
Vizagapatam Port.**

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) Decrease (-) as compared with Budget, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.
Vizagapatam Harbour Capital not met from Revenue :—					
73.—Capital outlay on Vizagapatam Port :—					
I. Land . . .	—76	9,25	—86	—10,11	32
II. Waterways . .	10	3,00	15	—2,85	1,28
III. Docks and Berths .	10,19	32,19	16,18	—16,01	84
IV. Broad Gauge Railways	—17	3,00	1	—2,99	16
V. Ferries . . .	..	..	..	..	..
VI. Manganese Facilities .	66	13	64	+51	80
VII. Plant . . .	3,93	2,50	4,22	+1,72	1,66
VIII. Floating Crafts .	46	2,71	1,15	—1,56	1,96
IX. Buildings . . .	3,25	2,36	2,05	—31	2,32
X. Oil Facilities .	..	..	23,22	+23,22	52,00
XI. Suspense . . .	—2,24	1,00	1,00	..	..
TOTAL . . .	15,42	56,14	47,76	—8,38	61,34

A.—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of rupees)

	Accounts, 1953-54	Budget Estimates, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56	Accounts 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Opening Balance	Rs. 1,16,83,70	Rs. 1,07,86,53	Rs. 1,12,79,12	Rs. 1,02,67,69	Appropriation from Depreciation Reserve Fund	Rs. 38,02,13	Rs. 43,29,75	Rs. 41,97,79
Appropriation to Depreciation Reserve Fund	(a) 30,56,30	(b) 30,37,95	(c) 30,36,92	(d) 35,37,79	Closing Balance	Rs. 1,12,79,12	Rs. 98,16,19	Rs. 1,02,67,69
Interest on Depreciation Reserve Fund	3,61,25	3,21,46	3,38,28	3,22,97	Total	Rs. 1,50,81,25	Rs. 1,41,45,94	Rs. 1,46,54,32
TOTAL	Rs. 1,50,81,25	Rs. 1,41,45,94	Rs. 1,46,54,32	Rs. 1,41,28,45				

¹ Includes 9,40,30 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

(a) Includes 36,30 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(b) Includes 37,95 debitable to Workshop Manufacture Suspense Account, Chittaraman Locomotive Works.

(c) Includes 36,92 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(d) Includes 37,79 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

B.—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56			Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.
Opening Balance	(a) 36,04,96	(d) 37,17,73	(c) 37,17,53	(e) 38,36,44						
Appropriation to Railway Revenue Reserve Fund from Surplus	..	..	..	7,14,17	Appropriation from Rail-way Reserve Fund	..	..	..	..	..
Interest on Railway Revenue Reserve Fund.	(b) 1,12,57	(e) 1,17,77	(f) 1,18,91	(g) 1,36,43	Closing Balance	..	(c) 37,17,53	(d) 38,35,50	(e) 38,36,44	(f) 46,87,04
TOTAL	37,17,53	38,35,50	38,36,44	46,87,04	TOTAL	..	37,17,53	38,35,50	38,36,44	46,87,04

(a) Includes 39·70 lakhs on account of investment in shares of and loans to Branch Line Companies, and 221·67 lakhs provisional on account of Indian State Railways taken over from 1-4-1950.

(b) Includes 0·71 lakhs on account of interest and dividends and gain etc. on investments.

(c) Includes 45·85 lakhs on account of investments in shares of and loans to Branch Line Companies.

(d) Includes 47·18 lakhs on account of investments in shares of and loans to Branch Line Companies.

(e) Includes 1·39 lakhs on account of interest and dividends etc. on investments.

(f) Includes 1·85 lakhs on account of interest and dividends etc. on investments.

(g) Includes 51·68 lakhs on account of investments in shares of and loans to Branch Line Companies.

(h) Includes 1·79 lakhs on account of interest and dividends etc. on investments.

C.—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance . . .	*27,13,39	18,61,27	20,61,97	15,61,77	Appropriation from Development Fund . . .	9,80,94	10,59,37	12,14,19
Appropriation to Development Fund from Surplus . . .	2,55,71	5,14,94	6,57,10	..	Closing Balance . . .	20,61,97	13,66,30	15,61,77
Interest on Development Fund . . .	73,81	50,36	56,89	39,74				3,60,82
TOTAL . . .	30,42,91	24,25,67	27,75,96	15,92,51	TOTAL . . .	30,42,91	24,25,67	15,92,51

*Includes 55,62 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

SCHEDULE OF DEMANDS FOR GRANTS (RAILWAYS)

DETAILS OF VOTED AND CHARGED AMOUNTS IN THE DEMANDS FOR GRANTS
(RAILWAYS) FOR 1955-56

Number of Demand	Name of Demand	Amount (In thousands of rupees)	
		Voted	Charged
		Rs.	Rs.
I	Railway Board	42,43	..
3	Miscellaneous Expenditure	1,40,80	12
4	Working Expenses—Administration . . .	30,84,41	..
5	Working Expenses—Repairs and Maintenance .	75,39,48	..
6	Working Expenses—Operating Staff . . .	48,14,96	..
7	Working Expenses—Operation (Fuel) . . .	37,57,67	..
8	Working Expenses—Operation other than Staff and Fuel	14,65,10	..
9	Working Expenses—Miscellaneous Expenses .	36,02,69	..
9A	Working Expenses—Labour Welfare . . .	5,08,31	..
10	Payments to Worked Lines and others . . .	31,25	..
11	Working Expenses Appropriation to Depreciation Reserve Fund	35,00,00	..
12A	Open Line Works (Revenue) Labour Welfare .	1,07,45	..
12B	Open Line Works (Revenue) other than Labour Welfare	4,61,18	..
13	Appropriation to Development Fund . . .	..	..
14	Appropriation to Revenue Reserve Fund .	7,14,17	..
14A	Withdrawal from Revenue Reserve Fund .	..	..
15	Construction of New Lines	5,65,87	..
16	Open Line Works—Additions	2,54,01,66	..
17	Open Line Works—Replacements	46,82,85	..
18	Open Line Works—Development Fund .	12,34,44	..
19	Capital Outlay on Vizagapatam Port . . .	80,73	..
20	Dividend Payable to General Revenues . . .	36,07,16	..

THE APPROPRIATION (RAILWAYS) BILL, 1955
(As INTRODUCED IN THE LOK SABHA)

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56 for the purposes of Railways.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) Act, 1955.
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of six hundred and fifty-three crores, forty-two lakhs and seventy-three thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1955-56 in respect of the services relating to railways specified in column 2 of the Schedule. 10
3. The sum authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year. 15

THE SCHEDULE

(See sections 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	42,43,000	..	42,43,000
3	Miscellaneous Expenditure . . .	1,40,80,000	12,000	1,40,92,000
4	Working Expenses—Administration . . .	30,84,41,000	..	30,84,41,000
5	Working Expenses Repairs and Maintenance . . .	75,39,48,000	..	75,39,48,000
6	Working Expenses—Operating Staff . . .	48,14,96,000	..	48,14,96,000
7	Working Expenses—Operation (Fuel) . . .	37,57,67,000	..	37,57,67,000
8	Working Expenses—Operations other than Staff and Fuel . . .	14,65,10,000	..	14,65,10,000
9	Working Expenses—Miscellaneous Expenses . . .	36,02,69,000	..	36,02,69,000
9-A	Working Expenses— Labour Welfare . . .	5,08,31,000	..	5,08,31,000
10	Payments to Worked Lines and others . . .	31,25,000	..	31,25,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund . . .	35,00,00,000	..	35,00,00,000
12-A	Open Line Works (Revenue) Labour Welfare . . .	1,07,45,000	..	1,07,45,000
12-B	Open Line Works (Revenue) other than Labour Welfare . . .	4,61,18,000	..	4,61,18,000
13	Appropriation to Development Fund . . .	..	..	..
14	Appropriation to Revenue Reserve Fund . . .	7,14,17,000	..	7,14,17,000
14-A	Withdrawal from Revenue Reserve Fund . . .	..	..	..
15	Construction of New Lines . . .	5,65,87,000	..	5,65,87,000
16	Open Line Works—Additions . . .	2,54,01,66,000	..	2,54,01,66,000
17	Open Line Works—Replacements . . .	46,82,85,000	..	46,82,85,000

THE APPROPRIATION (RAILWAYS) BILL, 1955 AS INTRODUCED

THE SCHEDULE—*contd.*

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
18	Open Line Works—Development Fund . . .	12,34,44,000	..	12,34,44,000
19	Capital Outlay on Vizagapatam Port . . .	80,73,000	..	80,73,000
20	Dividend Payable to General Revenues . . .	36,07,16,000	..	36,07,16,000
GRAND TOTAL . . .		6,53,42,61,000	12,000	6,53,42,73,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India to provide for the appropriation out of the Consolidated Fund of the moneys required to meet the expenditure charged on the Consolidated Fund of India and the grants made by the Lok Sabha in respect of the estimated expenditure of the Central Government on Railways for the financial year 1955-56.

NEW DELHI;

LAL BAHADUR.

The 11th February, 1955.

LOK SABHA

**A
BILL**

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56 for the purposes of Railways.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to the Lok Sabha the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri Lal Bahadur. Minister for Railways and Transport*)

THE APPROPRIATION (RAILWAYS) BILL, 1955

(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL.

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56 for the purposes of Railways.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Railways) Short title. Act, 1955.
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of six hundred and fifty-three crores, forty-two lakhs and seventy-three thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1955-56 in respect of the services relating to railways specified in column 2 of the Schedule.
Issue of Rs.
6,53,42,73,000
out of the Con-
solidated
Fund of
India for the
financial year
1955-56.
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.
Appropri-
ation.

THE SCHEDULE
(See sections 2 and 3)

I No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	42,43,000	..	42,43,000
3	Miscellaneous Expenditure . . .	1,40,80,000	1,000	1,40,92,000
4	Working Expenses—Administration . . .	30,84,41,000	..	30,84,41,000
5	Working Expenses—Repairs and Maintenance . . .	75,39,48,000	..	75,39,48,000
6	Working Expenses—Operating Staff . . .	48,14,96,000	..	48,14,96,000
7	Working Expenses—Operation (Fuel) . . .	37,57,67,000	..	37,57,67,000
8	Working Expenses—Operation other than Staff and Fuel . . .	14,65,10,000	..	14,65,10,000
9	Working Expenses—Miscellaneous Expenses . . .	36,02,69,000	..	36,02,69,000
9-A	Working Expenses—Labour Welfare . . .	5,08,31,000	..	5,08,31,000
10	Payments to Worked Lines and others . . .	31,25,000	..	31,25,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund . . .	35,00,00,000	..	35,00,00,000
12-A	Open Line Works (Revenue) Labour Welfare . . .	1,07,45,000	..	1,07,45,000
12-B	Open Line Works (Revenue) other than Labour Welfare . . .	4,61,18,000	..	4,61,18,000
13	Appropriation to Development Fund . . .	..	..	..
14	Appropriation to Revenue Reserve Fund . . .	7,14,17,000	..	7,14,17,000
14-A	Withdrawal from Revenue Reserve Fund . . .	..	..	..
15	Construction of New Lines . . .	5,65,87,000	..	5,65,87,000
16	Open Line Works—Additions . . .	2,54,01,66,000	..	2,54,01,66,000
17	Open Line Works—Replacements . . .	46,82,85,000	..	46,82,85,000

THE SCHEDULE—*contd.*

I No. of Vote	2 Services and purposes	Sums not exceeding			3 Total Rs.
		Voted by Parliament Rs.	Charged on the Consoli- dated Fund Rs.		
18	Open Line Works- Development Fund	12,34,44,000	..	..	12,34,44,000
19	Capital Outlay on Vizagapattanam Port	80,73,000	..	..	80,73,000
20	Dividend Payable to General Revenues	36,07,16,000	..	..	36,07,16,000
GRAND TOTAL		6,53,42,61,000	12,000	6,53,42,73,000	

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56 for the purposes of Railways.

(As passed by the Houses of Parliament)

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EXPLANATORY MEMORANDUM ON THE RAILWAY BUDGET FOR 1955-56

INTRODUCTION

The Budget Estimates for 1955-56 incorporate the changes accepted by the Parliament as a result of the recommendations of the 1954 Convention Committee. The important financial changes are summarised below:—

(I) The Railways will pay dividend on the capital-at-charge at a fixed rate of 4 per cent. annually subject to the following:—

- (a) On the element of over-capitalisation which has crept in due to the haphazard growth of the capital structure of the Railways, (estimated at 100 crores approximately but to be assessed more accurately later) railway revenues will pay interest at the rate charged to Commercial Departments; and
- (b) A moratorium will be granted in respect of the dividend payable on the Capital invested on new lines during the period of construction and up to the end of the fifth year of their being opened for traffic. From the sixth year onwards current dividend will be paid. In addition, the deferred dividend, calculated at the rate of interest charged to Commercial Departments, will be paid out of the net income of these lines if there is a surplus after payment of the current dividend.

(II) The following procedural changes will be made to prevent over-capitalisation:—

- (a) The criterion for classifying projects as remunerative would be a return of 5 per cent. on the capital invested after provision for depreciation, operation and maintenance instead of 4·25 per cent. adopted by the 1949 Convention;
- (b) The scope of passenger amenities chargeable to the Development Fund will be extended to cover expenditure on works of amenities for all users of rail transport, such as goods sheds, loading and unloading platforms, waiting sheds for trading public, etc., and
- (c) Cost of quarters constructed for Class III staff would be charged to the Development Fund instead of to Capital.

(III) In the event of the balance in the Development Fund becoming insufficient to meet the cost of developmental works chargeable to the Fund, the General Revenues would advance loans to the fund bearing interest at the rate charged to Commercial Departments. The loans so advanced will not be a part of the capital-at-charge.

(IV) The annual contribution to the Depreciation Reserve Fund from railway revenues would be enhanced from 30 crores to 35 crores during the currency of the 1954 Convention.

(V) The new Convention envisages modification in the rules of allocation of expenditure on the following lines:—

- (i) The cost of replacement of works created out of the Development Fund would be met from the Depreciation Reserve Fund instead of from the Development Fund;

- (ii) Expenditure on unremunerative operating improvements costing over 3 lakhs, which used to be split up between Open Line Works Revenue and Development Fund under the 1949 Convention will be charged wholly to the Development Fund;
- (iii) The cost of construction of all new lines will be charged to Capital from the very beginning and not initially to the Development Fund as was being done in the case of unremunerative lines under the 1949 Convention;
- (iv) The cost of quarters for Class III staff, hitherto charged to Capital, will be borne by the Development Fund; and
- (v) Expenditure on works of amenities for all railway users previously met from Capital or Revenue will be chargeable to the Development Fund.

PART I—REVENUE**Summary of Financial Results of Working of the Railway Undertaking**

		(Surplus in crores of rupees)
1953-54	.	2·56 (Actuals)
1954-55	.	6·57 (Anticipated)
1955-56	.	7·14 (Anticipated)

Financial Results of the Year 1953-54

Gross Traffic Receipts for 1953-54 came to 274·29 crores an improvement on the Revised Estimates of 2·29 crores or 8·4 per cent. The table below shows the details of the variations:—

			(In crores of rupees)
	Actuals, 1952-53	Revised Estimate, 1953-54	Actuals, 1953-54
Passenger Earnings—			
Upper	.	11·96	11·70
Third	.	88·42	88·30
Other Coaching Earnings	.	18·17	18·00
Goods Earnings	.	146·12	147·13
Sundry Other Earnings	.	5·12	5·17
	TOTAL	269·79	271·42
Suspense	.	·77	·58
Gross Traffic Receipts	.	270·56	272·00
			274·29

It will be seen that Passenger Earnings on third class traffic fell 1·56 crores below the Revised Estimate, while those on upper class traffic showed an improvement of 30 lakhs over the Revised Estimate. The variations under other heads were negligible, except under Suspense, where a large amount of 3·35 crores over and above the Revised Estimate was cleared, swelling the total figure of receipts by 2·29 crores.

2. Ordinary Working Expenses exceeded the Revised Estimate of 197·63 crores by 3·84 crores, the increase being mainly under Suspense which rose by 1·50 crores against an anticipation of no increase. The position under each of the Grants is compared below:—

			(In crores of rupees)
	Actuals, 1952-53	Revised Estimate, 1953-54	Actuals, 1953-54
Demand No. 4—Administration			
Demand No. 5—Repairs & Maintenance	.	26·18	27·41
Demand No. 6—Operating Staff	.	64·21	68·08
Demand No. 7—Operation (Fuel)	.	41·16	42·93
Demand No. 8—Operation other than Staff and Fuel	.	22·20	23·20
Demand No. 9—Miscellaneous Expenses	.	13·48	13·76
Demand No. 9A—Labour Welfare	.	17·12	18·97
	TOTAL	187·99	197·63
Suspense	.	·03	·50
	TOTAL	187·96	197·63
			201·47

There was an excess of 47 lakhs under Grant 4, spread over practically all the Departments, 82 lakhs under Grant 5, mainly on the maintenance of locomotives; 47 lakhs under Grant 6, mainly under the Traffic Department and Dearness Allowance; 78 lakhs under Grant 7, of which 49 lakhs was on collieries (which are controlled by the Ministry of Production), and the balance mainly under cost of coal and 20 lakhs under Grant 8; offset by a saving of 33 lakhs under Grant 9 mainly under 'Subsidy on Grainshops' and 7 lakhs under Grant 9A mainly under Medical and Health and Welfare Services. Except under Grant 7, which recorded an excess of 3.36 per cent., the variations in the other Grants ranged between 1.09 per cent. and 1.74 per cent. The variation in the total, including Suspense, however, came to 1.94 per cent.

3. Miscellaneous Receipts stood at 31 lakhs, which was very close to the Revised Estimate of 32 lakhs. Miscellaneous Expenditure, however, showed a saving of 88 lakhs on the Revised Estimate of 6.81 crores, mostly under Open Line Works Revenue where a shortfall occurred due to various causes.

4. The Net Revenue of Railways in 1953-54 was 36.92 crores, representing a shortfall of 72 lakhs on the Revised Estimate of 37.64 crores. The figure of Dividend to General Revenues was 10 lakhs less than the Revised Estimates of 34.46 crores. The final result was a surplus of 2.56 crores against the Revised Estimate of 3.18 crores. This was transferred to the Railway Development Fund.

5. The Railway Depreciation Fund, which opened with a balance of 116.84 crores, received an accretion of 30 crores by way of normal annual appropriation, .36 crore in respect of the capital assets of Chittaranjan Locomotive Works and 3.61 crores on account of interest, as against which there was an expenditure of 38.02 crores. The Fund closed with a balance of 112.79 crores, which was 4.05 crores less than the opening balance.

6. The Railway Development Fund, which opened with a balance of 27.14 crores received the appropriation of the surplus, 2.56 crores, and interest .73 crore. With a withdrawal of 9.81 crores, the closing balance was 20.62 crores, which was 6.52 crores less than the opening balance.

7. There were no withdrawals from the Railway Reserve Fund and no appropriations to it during 1953-54. The opening balance of 36.05 crores, along with the interest of 1.13 crores, constituted the closing balance of 37.18 crores.

8. The principal financial figures relating to 1953-54 are shown in the table below, alongside the actuals for the previous year and revised estimate for that year for comparison:—

	(In crores of rupees)		
	Actuals, 1952-53	Revised Estimated, 1953-54	Actuals, 1953-54
Gross Traffic Receipts	270.56	272.00	274.29
Ordinary Working Expenses	187.96	197.63	201.47
Appropriation to Depreciation Reserve Fund	30.00	30.00	30.00
Payments to Worked Lines	0.21	0.21	0.28
Net Traffic Receipts	52.39	44.13	42.54
Net Miscellaneous Expenditure	5.21	6.40	5.62
Net Revenue	47.18	37.64	36.92
Dividend to General Revenues	33.99	34.40	34.36
Surplus	13.19	3.18	2.56
Operating Ratio	80.6%	83.7%	84.4%
Capital at Charge	87.38	875.16	869.30
Ratio of net Revenue to Capital-at-Charge	5.5%	4.3%	4.2%

REVISED ESTIMATES FOR 1954-55

TRAFFIC RECEIPTS

9. In the Budget for the current year it was estimated that Passenger Earnings would come to 101.51 crores, Other Coaching Earnings to 17.50 crores, Goods Earnings to 148.60 crores and Other Sundry Earnings to 5.07 crores, making a total of 272.68 crores. But for the Assam floods, which disrupted communications for about four months and minor breaches elsewhere, there would have been an improvement of about half a crore on the figure of Passenger Earnings. As it is, the Revised Estimate is being placed at 101.80 crores; the distribution of this between the upper and third class traffic has been altered by a reduction of about 70 lakhs in the former due to the progressive abolition of the first class and diversion of traffic to lower classes and an increase of 99 lakhs in the latter. This would represent an increase over last year's actuals of about 1.8 crore in spite of last year's heavy Kumbh Mela traffic.

Under Other Coaching Earnings there has been a definite improvement throughout the year, and the Revised Estimate under this head is, therefore, placed at 1.5 crores higher than the Budget i.e. at 19.0 crores.

10. Goods Earnings have improved substantially during the last few months of 1954, and are expected to close at 156 crores, an improvement over the Budget of 7.4 crores.

11. Under Other Sundry Earnings there is an increase of about 23 lakhs. The gross earnings thus arrived at come to 282.1 crores as compared to 272.68 in the Budget. Under Suspense an extra clearance of 13 lakhs is now anticipated, raising the amount from 57 lakhs to 70 lakhs.

12. The Revised Estimate of Gross Traffic Receipts for the current year will thus be 282.8 crores, which is 9.55 crores above the Budget Estimate. The table below sums up the position:—

		(In crores of rupees)		
		Actuals, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55
Passenger Earnings—				
Upper	.	11.70	11.40	10.70
Third	.	88.30	90.11	91.10
Other Coaching Earnings	.	18.01	17.50	19.00
Goods Earnings	.	147.18	148.60	156.00
Other Sundry Earnings	.	5.17	5.07	5.30
		—————	—————	—————
	TOTAL	270.36	272.68	282.10
Suspense	.	3.93	.57	.70
		—————	—————	—————
Gross Traffic Receipts.	.	274.29	273.25	282.80
		—————	—————	—————

WORKING EXPENSES

13. The Demands presented to Parliament show separately the gross expenditure on which the vote is to be taken and the estimated credits for recoveries under each Demand, but, as in the previous year, the net figures under each Demand have been adopted in this memorandum.

14. The Revised Estimate of Ordinary Working Expenses for the current year exceeds the Budget Estimate of 194.31 crores by 8.45 crores. The distribution of this increase over the seven Demands will be clear from the table below:—

		(In crores of rupees)	Actuals, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55
Demand No. 4—Administration		27.88	28.20	29.45	
Demand No. 5—Repairs & Maintenance		68.08	66.73	70.74	
Demand No. 6—Operating Staff		43.40	44.02	45.20	
Demand No. 7—Operation (Fuel)		23.98	22.17	23.76	
Demand No. 8—Operation other than Staff and Fuel		13.96	10.02	10.58	
Demand No. 9—Miscellaneous Expenses		18.64	19.94	18.13	
Demand No. 9A—Labour Welfare		4.03	4.21	4.24	
	TOTAL	<hr/> 199.97	<hr/> 195.29	<hr/> 202.10	
Suspense		1.50	—.98	• .66	
	GRAND TOTAL	<hr/> 201.47	<hr/> 194.31	<hr/> 202.76	
Appropriation to Depreciation Reserve Fund		30.00	30.00	30.00	
Payments to Worked Lines . . . . .		.28	.22	.19	

15. The variations under the different Demands are explained seriatim:—

Demand No. 4—Administration.—The increase of 1.25 crores is mainly due to additional staff found necessary during the year for normal work, mostly on the basis of job analysis, as well as provision for the creation of special cells for progressing passenger amenities and planning and estimating for new projects etc., (37 lakhs) and extra expenditure found necessary during the year on implementation of the Adjudicator's Award and the recommendations of Joint Advisory Committee (3 lakhs), Central Pay Commission and other arrears (5 lakhs), increases in leave and other allowances (11 lakhs), increase in dearness allowance corresponding to increases in staff and more staff opting for higher cash dearness allowance in preference to grainshop concessions (40 lakhs) and a large increase of 26 lakhs under contingencies, mostly for the purchase of accounting and other machines used in offices and increased expenditure on stationery, printing, forms, etc.

Demand No. 5—Repairs and Maintenance.—There is an increase of about 4 crores under this Demand, of which about 3 crores is on the maintenance of rolling stock and comprises an increase of 77 lakhs on periodical overhaul of locomotives, 84 lakhs on running repairs to locomotives and other rolling stock, 40 lakhs on account of the decision taken during the year to debit to revenue the cost of fitting steel bodies in place of wooden bodies on some wagons imported during the last war, 43 lakhs on account of throwforward debits for stores utilised on repairs in previous years, 25 lakhs on account of the difference between the cost of stores manufactured in workshops as charged off on estimated rates and the actual rates subsequently arrived at, 6 lakhs for a mass change-over from non-standard to standard buffers on the metre gauge wagons of one Railway, and 7 lakhs on account of extra staff including leave reserves necessary under the Adjudicator's Award.

There is an increase of 67 lakhs on the maintenance of Way and Works due mainly to flood damage (26 lakhs), special works such as, the Solar Eclipse at Kurukshetra (7 lakhs), special repairs to damaged track on the Eastern Railway thrown forward from the previous year (9 lakhs), additional provision for shifting river ghats to cope with the vagaries of rivers (3.5 lakhs), extra expenditure found necessary on maintenance of bridges (8 lakhs) and service and residential buildings (20 lakhs) and other minor variations accounting for the balance. There is an increase of about one lakh due to repairs found necessary during the year to ferry craft. Under 'Maintenance of Electrical Services' there is an increase of about 9 lakhs, which reflects the progressive increase in electrical installations as part of the passenger and staff amenities programmes; Central Pay Commission arrears and appointment of leave reserve under the Adjudicator's Award account for about 2 lakhs, extra payment to the P. & T. Department of rent on wires including a throwforward (3.5 lakhs), and extra expenditure on repairs to block signalling instruments about 2 lakhs. Under 'Other Expenses' there is an increase under repairs to machinery and tools (11.5 lakhs), more expenditure on the augmentation of watering arrangements (4 lakhs), repairs to signalling works (about 2.5 lakhs) and repairs of cyclone damage and provision of extra tarpaulins, wagon covers, ropes etc. (8 lakhs), offset by credits under the Stock Adjustment Account etc. (13 lakhs). Under 'Dearness Allowance' there is an increase of about 59 lakhs reflecting the increases in staff and accelerated options for higher cash dearness allowance in preference to grainshop concessions. Under the special heads there is an extra credit of about 62 lakhs due mainly to the decision taken during the year that the write-back from Revenue on the restoration of lines dismantled during the war should be made in the year in which the lines are restored.

Demand No. 6—Operating Staff.—There is an overall increase of about 1.18 crore under this Demand. About 27 lakhs of this is under 'Power', due mainly to the upgrading of posts as recommended by the Joint Advisory Committee, increase in overtime including arrears, marginal adjustment of staff under the Adjudicator's Award, etc. The 3 lakhs increase under 'Carriage and Wagon' is mainly to cope with the increase in traffic. The rise of about 18 lakhs under 'Traffic' is mainly due to increase in overtime, mileage and other allowances, arrear increments on re-fixation of pay and expenditure on extra staff, including trainees, for coping with the increase in traffic, for new lines opened, leave reserves, etc. Expenditure on 'Dearness Allowance' has risen by about 70 lakhs, about half of which is due to staff opting for the higher cash allowance by giving up grainshop concessions and the balance to the increases in staff under other heads.

Demand No. 7—Operation (Fuel).—There is an increase under this Demand of 1.59 crore. Of this 35 lakhs is due to the elimination from the estimates of the 'gain' on the working of State Collieries consequent on the transfer of their ownership to the Ministry of Production from 1st April, 1954. This is, however, offset by a saving of about 36 lakhs due to larger recoveries made from Tatas in Bombay for current supplied from the railway power house. There is an increase of 86 lakhs under 'cost of coal', reflecting increases in traffic in the course of the year (54 lakhs) and due to more costly varieties of coal being received than anticipated (about 18 lakhs), increase in the consumption rate (about 8 lakhs) and throwforward expenditure (about 6 lakhs). The increase of about 11 lakhs under 'Sales tax, excise duty and cess on coal' is due to throwforward of debits of 8 lakhs from previous years and the balance of about 3 lakhs reflects the increase in receipts of coal corresponding to the higher level of traffic carried. Under 'Freight and handling charges on fuel' there is an increase of about 48 lakhs, of which about 7 lakhs is due to more coal having had to be transported by sea in the exigencies of traffic, about 16 lakhs due to variations from the anticipated source of supply resulting in longer railway leads on coal, about 11 lakhs to cover extra coal receipts necessary for increase in traffic and about 14.5 lakhs for handling charges thrown forward from the previous year. The cost of 'Other fuel' has gone up by 6 lakhs due mainly to the utilisation of diesel locomotives on the Kurla-Trombay Section of the Central Railway and the Kandla-Deesa Section of the Western Railway, and higher mileage operated with oil-fired locomotives on the Southern Railway during the current year.

Demand No. 8—Operation other than Staff and Fuel.—The Revised Estimate is about 56 lakhs more than the Budget. Larger consumption of 'stationery, forms and tickets' and higher expenditure on 'Handling, collection and delivery of goods' are in consonance with the increase in traffic and cover also certain throwforward payments relating to last year. The acceleration of settlement of outstanding claims for 'Compensation for goods lost or damaged' accounts for about 7.5 lakhs extra. The higher expenditure of about 21 lakhs on electrical services is due to increased consumption of electricity in the installations which have multiplied rapidly as part of the passenger and labour amenity programmes, extra provision for freight on coal for generation according to requirements, replacement of electrical fittings stolen from carriages and a certain amount of throwforward expenditure. The increase of about 38.5 lakhs under 'Stores and Clothing' reflects the increase in expenditure of consumable stores for the higher level of traffic and other important factors like throwforward of expenditure from the previous year, variations in the cost of uniforms, arrear taxes to municipalities and special arrangements for water during the drought last summer. The increase of about 9 lakhs under 'Dearness Allowance' is due to more staff opting for higher cash allowance instead of grainshop concessions. These increases are offset by heavier credits from the Stock Adjustment Account and lower payments to non-Budget lines.

Demand No. 9—Miscellaneous Expenses.—There is a reduction of about 2.57 crores under the main item of this Demand, namely 'Subsidy on Grainsshops', due to progressive reduction in the staff availing themselves of grainshop concessions and the fall in prices which reduces the subsidy element. This is the counterpart of the increases in cash dearness allowance in this and other demands. This reduction has been offset by an increase of about 29 lakhs under 'Contribution to Provident Fund' of

employees confirmed and admitted to the benefit with retrospective effect, and of about 42 lakhs under 'Gratuities and special contribution to the Provident Fund' of staff retiring or otherwise leaving service during the year. There is also an increase of 13 lakhs under 'Compensation' in the cases arising out of the Jangaon and Raxaul accidents.

Demand No. 9A—Labour Welfare.—The small increase of 3 lakhs under this Demand is due mainly to reduction in recoveries under this grant like sales in canteens and school fees, etc.

Suspense.—The increase of 1·64 crore under Suspense is due mainly to the grant of advances recoverable in 36 instalments to staff of the North Eastern Railway affected by the Assam floods this year and to heavier clearances effected last year than anticipated in the Budget so that the reduction in Suspense of 98 lakhs budgeted for this year was mostly achieved in the year before.

MISCELLANEOUS TRANSACTIONS

16. The table below compares the Revised Estimate for Miscellaneous Transactions with the Budget Estimate for the current year, and Actuals for the previous year:—

		(In lakhs of rupees)		
		Actuals, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55
RECEIPTS				
Guarantee recoverable from Local Governments for unremunerative lines . . . . .		..	1	3
Other receipts from Subsidized Companies		4	3	2
Railway Miscellaneous Receipts		27	27	1
Total		31	31	6
EXPENDITURE				
Rebate . . . . .		..	..	..
Subsidy		7	8	7
Surveys		—1	10	12
Miscellaneous Railway Expenditure		1,49	1,59	1,57
Open Line Works (Revenue)		4,38	6,62	6,62
Total		5,93	8,39	8,38
Net Miscellaneous Expenditure		5,62	8,08	8,32

17. There is a reduction of 25 lakhs under Miscellaneous Receipts, due mainly to the stoppage of recovery for leave salaries and other contributions relating to staff of the Railway Department lent to the Ministry of Production and now finally transferred to them, and certain interest charges relating to collieries etc., which were accounted for under this head. There are only minor variations under Miscellaneous Expenditure. Net Miscellaneous Expenditure, however, shows an increase of 24 lakhs on account of the reduction in receipts.

DIVIDEND TO GENERAL REVENUES

18. On the latest estimate of Capital Expenditure, the Dividend payable to General Revenues is 34·96 crores. The financial results as now anticipated in the Revised Estimates are compared in the table below, with the Budget for the current year and Actuals for the previous year:—

		(In lakhs of rupees)		
	Actuals, 1953-54	Budget Estimate, 1954-55	Revised Estimate 1954-55	
TRAFFIC RECEIPTS				
Gross Traffic Receipts	274,29	273,25	282,80	
WORKING EXPENSES				
Ordinary Working Expenses	201,47	194,31	202,76	
Appropriation to Depreciation Reserve Fund	30,00	30,00	30,00	
Payments to worked lines	28	22	19	
Total Working Expenses	231,75	224,53	232,95	
Net Traffic Receipts	42,54	48,72	49,85	
MISCELLANEOUS TRANSACTIONS				
Receipts	31	31	6	
Expenditure	5,93	8,39	8,38	
Net Miscellaneous Expenditure	5,62	8,08	8,32	
Net Railway Revenues	36,92	40,64	41,53	
Dividend to General Revenues	34,36	35,50	34,96	
Net Gain or Surplus	2,56	5,14	6,57	

SURPLUS AND RESERVES

19. The Revised Estimate of Surplus during the current year comes to 6·57 crores against the Budget figure of 5·14 crores. It is proposed that the entire amount of Surplus as now estimated should be credited to the Development Fund.

20. The opening balance of the Depreciation Reserve Fund at the beginning of the year was 112·79 crores. During the year the Fund will be credited with 30·37 crores, 30 crores by debit to Working Expenses and 37 lakhs on account of capital assets of Chittaranjan Locomotive Works by debit to Manufacturing Suspense Account. The withdrawal from the Fund is expected to be 43·86 crores against 43·30 crores anticipated in the Budget. Taking into account 3·38 crores interest accruing on the balance, the Fund is expected to close with a balance of 102·68 crores i.e., 10·11 crores less than the opening balance.

21. The withdrawal from the Development Fund is expected to be 12·14 crores against 10·59 crores anticipated in the Budget. The accretion to the Fund will be 7·14 crores including interest ·57 crore. The Fund is expected to close with a balance of 15·62 crores i.e., 5 crores less than the opening balance.

22. As anticipated at the time of Budget, there will be no withdrawal from the Railway Revenue Reserve Fund during the year. The addition to the Fund on account of interest etc. will be 1·19 crore and the Fund will close at the end of the year with a balance of 38·37 crores.

BUDGET ESTIMATES FOR 1955-56**TRAFFIC RECEIPTS**

23. As usual, the estimate of Traffic Receipts for the Budget year has been made with reference to the Revised Estimates as fixed for the current year, with an allowance for important factors of difference. Apart from the normal increases in Passenger Earnings and in Goods Earnings which is anticipated on the basis of current economic conditions and the efforts of the Railways for the provision of more rolling stock to carry increased traffic, allowance has to be made for the earnings lost this year mainly due to the Assam floods. A certain further diversion of passenger traffic from higher to lower classes has also to be anticipated with the abolition of the present first class and the provision of more and more amenities to third class passengers, the latest of which is the reservation of sleeping accommodation on Janata trains, which is an amenity not available in the next higher class. It is also proposed to restore the cost of the platform ticket to its previous figure of one anna instead of the present two annas. There is also the proposal for rationalisation of passenger fares, by the introduction of a telescopic scale under which the fare per mile is lower beyond a certain distance, thus affording substantial relief to long distance passengers. How far the introduction of telescopic fares will give a fillip to long distance traffic and the extent to which this, along with the minute compensating increases on short distance traffic, will make up for the reduction in earnings from long distance traffic is a matter of conjecture. The effect of the increase in the fare for the air-conditioned class from 30 pies per mile flat to 34 pies up to 300 miles and 32 pies beyond is also a matter of conjecture though it is anticipated that there will be no fall in air-conditioned travel on this account. On a consideration of the effect of all the above factors taken together an increase in Passenger Earnings of the order of 2.7 crores over and above the Revised Estimate has been made in the Budget Estimates for the next year.

24. It is expected that in the coming year the availability of goods stock will increase. As an inevitable result of this, a certain amount of diversion from parcels traffic to goods traffic has to be allowed for. The Budget Estimate under 'Other Coaching Earnings' is, therefore, placed at 1 crore below the Revised Estimate for the current year.

25. Under Goods, in addition to the normal increase, allowance has to be made for some, though not much, traffic lost due to the Assam breaches and for the effects of rationalisation of 'class rates' and of certain 'wagon load scales', offset by the relief given to traffic in foodgrains and manure. On a consideration of all these factors, the estimate of Goods Earnings for the next year is placed at 163.90 crores, an increase over the Revised Estimate of the current year of 7.90 crores. With a small increase of 40 lakhs in Other Sundry Earnings, the total traffic earnings are, thus, expected to reach 292.1 crores in the Budget year.

With an addition from Suspense of 40 lakhs, Gross Traffic Receipts are expected to be about 292.5 crores, an increase over the Revised Estimates of the current year of 9.7 crores.

26. The Budget Estimates of Earnings are compared in the table below with the Revised Estimates for the current year:—

		(In crores of rupees)
	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Passenger Earnings :-		
Upper	10·70	11·20
Third	91·10	93·50
Other Coaching Earnings	19·00	16·00
Goods Earnings	136·00	13·90
Other Sundry Earnings	5·30	5·70
	<hr/>	<hr/>
Total	282·10	292·10
Suspense	170	40
	<hr/>	<hr/>
Gross Traffic Receipts	282·80	292·50

ORDINARY WORKING EXPENSES

27. The estimate of ordinary Working Expenses for the Budget year has been placed at 3·83 crores more than the Revised Estimates. The distribution of this over the various Demands is given in the following table:—

	Actuals, 1953-54	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Demand No. 4—Administration	27·88	29·45	30·8
Demand No. 5—Repairs and Maintenance	68·08	70·74	74·12
Demand No. 6—Operating Staff	43·40	45·20	48·15
Demand No. 7—Operation (Fuel)	23·98	23·76	23·62
Demand No. 8—Operation other than Staff and Fuel	13·96	10·58	8·87
Demand No. 9—Miscellaneous Expenses	18·64	18·13	16·38
Demand No. 9A—Labour Welfare	4·03	4·24	4·82
	<hr/>	<hr/>	<hr/>
Suspense	1·50	0·66	—0·18
	<hr/>	<hr/>	<hr/>
Total	201·47	202·76	206·59
Appropriation to Depreciation Reserve Fund	30·00	30·00	35·00
Payments to worked lines	128	119	21

28. Before coming to the variations under each Demand it is necessary to explain that with effect from the Budget year, separate budget heads have been opened under Demands 4, 5 and 6 for the Signal & Telecommunication Department, the expenditure of which was previously merged in other heads, mostly in Demand 8. There has thus been a transfer of provision for Signal & Telecommunications Operation Staff mainly from Demand 8 to Demand 6.

29. The principal variations under each Demand are explained below:—

Demand No. 4—Administration.—The increase of about 1·36 crore under this Demand is made up of about 36 lakhs on annual increments, about 46 lakhs on additional staff required for drawing offices and other offices of the Civil Engineering Department and for strengthening supervision in loco sheds and carriage and wagon depots which was found to be below par on an analysis of the position on the Western Railway, on staff required for preventing claims and for dealing with those which arise on the Central Railway, on strengthening the supervisory cadre and re-organisation of the Watch & Ward Department on all Railways, on implementing the Adjudicator's Award and on increases under leave and other allowances and about 46 lakhs on account of options from grainshop concessions to higher cash dearness allowance.

Demand No. 5—Repairs and Maintenance.—The increase of 3·38 crores is due to annual increments (25 lakhs), increase in the dearness allowance, mainly on account of options out of grainshops (96 lakhs), extra expenditure on the maintenance of rolling stock, machinery, plant and equipment (84 lakhs), and the non-recurrence of credits on write-back adjustments relating to dismantled lines (1·34 crore).

Demand No. 6—Operating Staff.—Of the increase of 2·95 crores under this Demand, the transfer of expenditure on Signal and Telecommunication staff from Demand 8 accounts for an increase of about 1·34 crore annual increments for 56 lakhs, increases in staff to cope with the anticipated increase in traffic, including staff for branch lines newly opened, new stations, melas, extra ticket collectors and train conductors connected with the provision of sleeping accommodation in third class etc. for 39 lakhs, additional leave reserves and other staff necessary under the Adjudicator's Award and for the filling up of vacancies for 12 lakhs and more overtime allowance for about 1 lakh. The non-recurrence of arrears of pay offsets these increases to the extent of about 7 lakhs and the transfer of the cost of training establishments and trainees to Demand 9A brings in a reduction of about 8 lakhs. The increase of about 73 lakhs under Dearness Allowance is due mainly to more staff opting for higher cash dearness allowance and the additions to staff mentioned under the other heads and is partly offset to the extent of about 5 lakhs by transfer to Demand 9A of the cost of training establishments and trainees.

Demand No. 7—Operation (Fuel).—On the net figure under this Demand there is a decrease of about 14 lakhs, mainly due to more coal being expected to be transported by rail instead of by sea in the Budget year, and the corresponding increase on recoveries of freight charges shown under credits to this Demand which comes to about 61 lakhs. As against this, there is an increase of about 44 lakhs under cost of coal to cope with the level of traffic anticipated next year, and about 9 lakhs under other fuel for the operation of diesel locomotives for the whole year as against part of the current year. Less credit is expected from Tatas next year under cost of electric current for traction purposes. There is a net reduction under 'Freight and handling charges' also, because less coal is expected to be transported by sea for railway purposes and throw-forward adjustments made in the current year are not expected to recur next year. Under 'Sales tax, excise duty and cess on coal', similarly, the non-recurrence in the next year of throwforwards actually results in lower expenditure.

Demand No. 8—Operation other than Staff and Fuel.—The decrease of about 1·71 crores is mainly due to transfer of expenditure of the Signal 102Moff

& Telecommunication Department to other Demands, which accounts for about 1·47 crores, and a reduction of about 22 lakhs under 'Compensation for goods lost or damaged' due to the anticipated fall in the number and value of claims. There are also other decreases due to the non-recurrence of throwforward expenditure, less payment to non-Budget lines etc., but these are offset by increases in the provision for consumable stores made in the expectation of a higher level of traffic, variations in the Stock Adjustment Account, and increased consumption of electricity in the new installations as well as increases under 'Handling, collection and delivery of goods' on the increased traffic.

Demand No. 9—Miscellaneous Expenses.—The reduction of 1·75 crore under this Demand is mainly due to the saving of 1·67 crore under 'Subsidy on grainshops' which is expected to decrease with the progressive options of staff for higher cash allowance, and of about 10 lakhs under 'Compensation' on claims arising out of railway accidents.

Demand No. 9A—Labour Welfare.—Of the increase of about 58 lakhs under this Demand, 24 lakhs is due to the transfer of expenditure on training establishments and trainees to this Demand from Demands 4, 5 and 6. The balance of the increase is made up of 5 lakhs for annual increments, about 12 lakhs for staff and equipment for the Medical and Health and Welfare Services, and the increase in the dearness allowance to staff opting out of grainshops and becoming entitled to higher cash allowance (17 lakhs).

Suspense.—There is a net reduction under Suspense next year of about 84 lakhs, due mainly to the non-recurrence of the flood advances given to staff of the Assam region of the North Eastern Railway and more credits for recoveries of those advances during the next year.

30. The annual appropriation to the Depreciation Reserve Fund has been made at 35 crores for the Budget year as fixed by the Convention Resolution of 1954, i.e., 5 crores more than that for the current year.

31. Under Payments to Worked Lines the provision has been increased by 2 lakhs and placed at 21 lakhs to cover the fall in net earnings on certain worked lines.

MISCELLANEOUS TRANSACTIONS

32. The net result of Miscellaneous Transactions for the Budget year is expected to be a debit of 7·49 crores which is made up of receipts of 5 lakhs and expenditure of 7·54 crores under the heads shown below:—

(In lakhs of rupees)

	Actuals, 1953-54	Revised Estimate, 1954-55	Budget, Estimate, 1955-56
RECEIPTS			
Guarantee recoverable from Local Governments, for unremunerative lines . . . . .	..	3	1
Other receipts from Subsidized Companies	4	2	1
Miscellaneous Railway Receipts	27	1	1
Total Receipt	31	6	5

	(In lakhs of rupees)			
	Actuals, 1953-54	Revised Estimate, 1954-55	Budget Estimate, 1955-56	
EXPENDITURE				
Rebate]
Subsidy	.	.	7	7
Surveys	.	.	—I	12
Miscellaneous Railway Expenditure	.	.	1,49	1,57
Open Line Works (Revenue)	.	.	4,38	6,62
				5,68
Total Expenditure	.	5.93	8,38	7,54
Net Miscellaneous Expenditure	.	5.62	8,32	7,49

33. The decrease under Open Line Works—Revenue is due mainly to the full expenditure on unremunerative operating improvements costing more than 3 lakhs being charged to the Development Fund from 1955-56 and only expenditure on such works up to 3 lakhs being met from Revenue. Increase under Surveys is due to the provision for surveys of new lines likely to be taken up for construction during the Second Plan period *vide* Appendix XI.

DIVIDEND TO GENERAL REVENUES

34. The estimate of Dividend payable to General Revenues is placed at 36·07 crores; this is on the basis of the Convention Resolution under which interest on about 100 crores, the element of over-capitalisation, is charged only at 3.25 per cent. instead of at 4 per cent. and no interest is payable on Capital expenditure on new lines for the period of construction and five years thereafter. The following table summarises the anticipated financial results of the Budget year, with figures for the last year and the current year alongside for comparison:—

			(In crores of rupees)
	Actuals, 1953-54	Revised Estimate, 1954-55	Budget Estimate 1955-56
TRAFFIC RECEIPTS			
Gross Traffic Receipts	274.29	282.80	292.50
WORKING EXPENSES			
Ordinary Working Expenses	201.47	202.76	206.59
Appropriation to Depreciation Reserve Fund	30.00	30.00	35.00
Payments to Worked Lines	28	19	21
Total Working Expenses	<u>231.75</u>	<u>232.95</u>	241.80
Net Traffic Receipts	<u>42.54</u>	<u>49.85</u>	50.70
MISCELLANEOUS TRANSACTIONS			
Receipts . . . . .	.31	.06	.05
Expenditure	<u>5.93</u>	<u>8.38</u>	7.54
Net Miscellaneous Expenditure	<u>5.62</u>	<u>8.32</u>	7.49
Net Railway Revenue	<u>36.92</u>	<u>41.53</u>	43.21
Dividend to General Revenues	<u>34.36</u>	<u>34.96</u>	36.07
Net Gain or Surplus	<u>2.56</u>	<u>6.57</u>	7.14

SURPLUS AND RESERVES

35. The estimated Surplus of 7·14 crores is proposed to be credited to the Revenue Reserve Fund. On present anticipations there is likely to be a gap between Receipts and Expenditure in the later years of the next quinquennium and the Fund has to be strengthened in order to meet the contribution to General Revenues during those years.

36. The Depreciation Reserve Fund is expected to open with a balance of 102·68 crores, receive a credit of 35·38 crores (35 crores chargeable to the Working Expenses and ·38 crore in respect of capital assets of Chittaranjan Locomotive Works) and of 3·23 crores on account of interest accruing on the balance and, after meeting an expenditure of 41·98 crores, will close with a balance of 99·31 crores at the end of the year.

37. The withdrawal from the Development Fund in the Budget year is expected to be 12·32 crores. The Fund will receive a credit of ·31 crore on account of interest accruing on the balance and will close with a balance of 3·61 crores.

38. With the credit of the entire anticipated Surplus of 7·14 crores and the interest of 1·36 crores on the balance in the Revenue Reserve Fund, the Fund is expected to close with a balance of 46·87 crores.

39. A detailed yearwise account of the three Funds mentioned in the foregoing paragraphs is given in Appendices VIII to X to this Memorandum.

PART II

EXPENDITURE ON WORKS, MACHINERY AND ROLLING STOCK PROGRAMME OF RAILWAYS

Revised Estimates—1954-55

40. The Revised Estimate for the current year provides for a net increase in expenditure of 60 lakhs over the grant of 88·38 crores on works chargeable to Capital, the Depreciation Reserve Fund and the Development Fund. Including works chargeable to Revenue, the Revised Estimate for Works, Machinery and Rolling Stock expenditure is 95·60 crores against Rs. 95·00 crores provided in the Budget.

41. *Demand No. 15—Construction of New Lines.*—There is a saving of 32 lakhs on the grant of Rs. 2·44 crores for expenditure on new constructions, due mainly to no expenditure being expected to be incurred on the construction of the Rail connection from the Gua-Barabil area to the Manoharpur-Rourkela section during the year owing to the delay in the finalization of the scheme (23 lakhs) and to less expenditure on the Champa-Korba line owing to difficulty in the procurement of steel materials (19 lakhs), offset by additional expenditure on the acquisition of land for the Quilon-Ernakulam Railway (10 lakhs).

Demand No. 16—Open Line Works—Additions.—The Revised Estimates have been fixed at the same level as the Budget, but provide for an additional expenditure of 1·35 crores on Rolling Stock against the anticipated savings under Investment in Roads Services and Suspense.

Demand No. 17—Open Line Works—Replacements.—Similarly the revised estimates have been fixed at the same level as the budget, but provide for an additional expenditure of 53 lakhs on Rolling Stock and Machinery against the saving anticipated under Track Renewals owing to the shortage of permanent way material and the credits expected to be adjusted under Structural Engineering Works owing to the decision taken during the year that the reversal adjustments of the lines dismantled during the war should be made soon after they are opened for traffic.

Demand No. 18—Open Line Works—Development Fund.—The revised requirements come to 12·14 crores against the Budget provision of Rs. 10·59 crores involving an increase of 1·55 crores. This is due mainly to the decision taken during the year that the reversal adjustments of the lines dismantled during War and restored should be made soon after they are re-opened to traffic and to the additional provision found necessary in order to accelerate progress on the Khandwa-Hingoli and the Quilon-Ernakulam constructions and the Utratia-Sultanpur-Zafarabad restoration, and to cover the debits expected from the Kandla Port authorities for a portion of the line originally built at their cost being taken over now as a part of the conversion of the Adipur Bhuj line from Narrow Gauge to Metre Gauge.

Against the anticipated credits of 2·14 crores on account of released materials adjustable in reduction of expenditure on Works, Machinery and Rolling Stock, the present estimate is 2·48 crores.

Budget Estimate, 1955-56

42. As against the anticipated expenditure of 400 crores on Railways in the First Five Year Plan period, the actual expenditure is expected to

be of the order of Rs. 417.53 crores i.e., 17.53 crores more. The distribution of the total expenditure will now be 249.18 crores under rolling stock and machinery and the balance of 168.35 crores on other works.

43. The Railways' Works, Machinery and Rolling Stock programme, including Vizagapatam Port and the cost of works chargeable to Revenue, works up to a total net expenditure of Rs. 126.68 crores for the year 1955-56, broadly distributed as under:—

(In lakhs of rupees)

Particulars	Capital	Deprecia- tion Reserve Fund	Develop- ment Fund	Open Line Works	Total
1. Rolling Stock .	55.29	34.76	..	..	90.05
2. Machinery & Plant	1.40	2.07	..	52	3.99
3. New Lines . .	6.66	..	3.66	..	10.32
4. Restoration of Dis- mantled Lines .	..	—65	1.37	..	72
5. Purchase of Railway Lines . .	10	..	1.08	..	1.18
6. Track Renewals .	3	—13.37	12	24	13.76
7. Open Line Works (Other than Track Renewals) . .	9.85	—3.15	8.10	5.93	27.03
8. Investment in Road Services . .	1.74	..	..	..	1.74
9. Vizagapatam Port .	61	..	..	..	61
10. Stores and Manu- facturing Suspense	2.18	..	..	..	2.18
11. Credits or Re- coveries .	—17	—2.82	—3	..	—3.02
Grand Total . .	77.69	49.88	14.30	6.69	1,48.56
Probable Saving . .	—10.98	—7.91	{—1.99	—1.00	—21.88
Net . .	66.71	41.97	12.31	5.69	1,26.68

Out of the net provision of 126.68 crores, 81.30 crores relate to Works in Progress or Programmed Deliveries and the balance of 45.38 crores to New Works or New Acquisitions.

44. *Rolling Stock.*—The proposed expenditure of 90·05 crores is distributed among the different categories of stock separately under 'New Acquisitions' and 'Programmed Deliveries' as shown in the table below:—

(In lakhs of rupees)

Particulars	Programmed Deliveries	New Acquisitions
Locomotives	31.40	61
Boilers	1.25	17
Carriages	11.17	4.91
Wagons	11.34	28.10
Ferries	1.09	1
TOTAL	56.25	33.80
		90.05

The railwaywise distribution of the provision is given at pages 39—43 of Part I of the Consolidated Works, Machinery and Rolling Stock Programmes of Railways.

The programme for 'New Acquisitions' includes provision for the following:—

Particulars	To be obtained from abroad	To be obtained from indigenous sources	Total
Locomotives	352	270	622
Boilers	35	45	80
Carriages	20.4	1,744	1,948
Wagons (FWS)	24,026	15,037	39,063
Cranes	40	..	40

The programme for procurement of Rolling Stock in 1955-56 is unusually heavy. This has been undertaken partly to accelerate the Rehabilitation Programme of the Railways and partly to meet the increased traffic requirements arising out of the development of the country under the Five Year Plan. A good portion of the stock is expected to be delivered only in 1956-57 or late in 1955-56 and will, therefore, be available for use only in the first year of the Second Five Year Plan. Provision in 1955-56 has had to be made, however, for the progress payments to be made during their manufacture.

45. *Machinery and Plant.*—The programme for Machinery and Plant is for 399 lakhs (Capital 140 lakhs, Depreciation Reserve Fund 207 lakhs and Open Line Works Revenue 52 lakhs), of which 318 lakhs is for "Programmed Deliveries" and the balance of Rs. 81 lakhs is proposed to be spent on "New Acquisitions".

Replacement of plant and machinery has been programmed on condition basis, only those items being selected for replacement as have passed their useful life and are beyond economic repairs. The expenditure involved in such replacements is 2·19 crores of which the expenditure proposed during the year 1955-56 is 37 lakhs.

Additions of plant and machinery have been programmed for the Budget year at a cost of 2·79 crores to meet the requirements of various workshops, running sheds and sick lines, as many Railways have not been able to build up sufficient workshop capacity for their increased holdings of rolling stock, particularly those directly affected by the partition of the country. An outlay of 44 lakhs is proposed to be incurred during 1955-56.

46. A summary of the requirements of each Railway under "New Acquisitions" as well as under "Programmed Deliveries" is given at pages 44-45 of Part I of the Consolidated Works, Machinery and Rolling Stock Programme of Railways.

47. A provision of 10·32 crores is proposed for construction of new lines during 1955-56. Of this, 9·61 crores is for Works in Progress and the balance 71 lakhs for New Works.

The particulars of the Works in Progress and New Works are as under:—

	(In lakhs of rupees).	Provision for 1955-56
WORKS IN PROGRESS		
1. Khandwa-Hingoli Line (Central Rly.)	150·00	
2. Champa-Korba Line (Eastern Railway)	25·00	
3. Rail connection from Gua Barabil Area to Manoharpur-Rourkela Section (Eastern Railway)	25·00	
4. Chunab-Robertsganj Construction (Northern Railway)	2·00	
5. Pathankot-Madhopur Line (Northern Railway)	25·50	
6. Construction of Midhepura-Murliganj Line (North-Eastern Railway)	2·05	
7. Quilon-Ernakulam Railway (M. G.) (Southern Railway)	151·00	
8. Gop-Katkola—Construction of the line including junction arrangements at Katkola Yard (Western Railway)	20·00	
9. Deesa-Gandhidham (Western Railway)	24·31	
10. Gandhidham-Kandla Link (Western Railway)	40·00	
11. Sanganer Town-Toda Raisen Extension (Western Railway)	4·09	
12. Adipur-Bhuj—Conversion of Narrow Gauge into Metre Gauge (Western Railway)	12·72	
13. Fatehpur-Churu Line (Western Railway)	25·00	
14. Howrah-Burdwan Main Line electrification	200·00	
15. Mokameh—Providing a B. G. rail-cum-road bridge over the Ganga at	253·80	
TOTAL	960·47	
NEW WORKS		
16. Barabil-Joda Construction (Eastern Railway)	15·00	
17. Etah-Tundla Broad Gauge Link via Jalesar Town (Northern Railway)	0·25	
18. Electrification from Tambaram to Villupuram (Main Line) (Southern Railway)	1·00	
19. Indore-Dewas-Ujjain—Providing Broad Gauge rail connection (Western Railway)	50·00	
20. Raniwara-Bhiladi Line (Western Railway)	5·00	
TOTAL	71·25	
GRAND TOTAL	1031·72	

48. Out of the works in progress detailed above, four deserve special mention:—

- (i) *The Khandwa-Hingoli Line.*—187 Miles in length, which is estimated to cost about 9 crores has been taken up in order to provide a link between the Northern and Southern Metre Gauge systems. This work was taken in hand in April, 1954 and is progressing satisfactorily.
- (ii) Construction of the Pathankot-Madhopur extension, about 8 miles in length and estimated to cost about 35 lakhs, is well in progress and is expected to be opened for traffic in April, 1955.

This extension has been taken up with the object of relieving the heavy congestion of goods traffic at Pathankot and will incidentally facilitate further movement of goods traffic also to Jammu and Kashmir State.

- (iii) The construction of the Quilon-Ernakulam line on the Southern Railway, about 96 miles in length and estimated to cost 5.75 crores, is well in progress. This line would not only connect Trivandrum with Ernakulam but would also bridge the existing gap of about 100 miles between the broad and metre gauge sections on the west coast.
- (iv) The Fatehpur-Churu metre gauge line in Rajasthan, 26.26 miles in length and estimated to cost 48.97 lakhs, is intended to provide an alternative shorter and quicker route between stations on the Bikaner Division of the Northern Railway and Jaipur and other stations on the Western Railway. The line is being sanctioned during the current year to enable the construction being started immediately.

NEW WORKS

49. The construction of the Barabil-Joda line, 11.57 miles in length in the State of Orissa is proposed to be undertaken at an estimated cost of 1.20 crores to facilitate movement of iron ore to steel works.

A Broad Gauge link between Etah and Tundla via Jalesar Town, about 48 miles in length, at an estimated cost of 1.5 crores is proposed to be undertaken in order to connect the District Town of Etah with Agra and Tundla and also to provide rail transport facilities in a densely populated area.

The electrification of the Tambaram to Villupuram main line section on the Southern Railway is proposed to be undertaken at an estimated cost of 3.3 crores to meet the requirements of suburban traffic.

The construction of the Raniwara-Bhiladi Line on the Western Railway, 43.61 miles in length, at an estimated cost of about 1.19 crores, is proposed to be undertaken in order to provide a shorter alternative route between the Kandla port and areas in Rajasthan and the Punjab now served via Palanpur and Marwar Junctions.

Construction of a B.G. connection between Indore and Ujjain via Dewas, about 49 miles in length and estimated to cost about 2.53 crores, is proposed to be undertaken with a view to opening up new area and also to serve Indore with a Broad Gauge line.

50. *Restoration of Dismantled Lines.*—A provision of 0.72 crores has been made in the Budget for the restorations already in progress including reversal adjustment of the Utrairita-Sultanpur-Zafarabad restoration (Northern Railway). The particulars of these are:—

(In lakhs of rupees)

Provision for
1955-56

IN PROGRESS

1. Bhagalpur-Mandar Hill Branch (Eastern Railway)	4.00
2. Bobbili-Salur Branch (Eastern Railway)	2.15
3. Utrairita-Sultanpur-Zafarabad (Northern Railway)	61.62
4. Balanau-Madhoganj-Unao Section (Northern Railway)	3.00
5. Madura-Bodinayakkanur Railway (M.G.), (Southern Railway)	0.70
6. Shoranur-Nilambur Railway (B.G.) (Southern Railway)	0.43

TOTAL 71.90

Of the 12 dismantled lines, the restoration of which was approved by the Central Board of Transport in 1950, the restoration of Rohtak-Gohana-Panipat Line (Northern Railway) has been postponed to provide funds for the provision of the rail line to Chandigarh, the new Capital of Punjab. The necessity for restoration of this line is also under review. 10 lines have already been completed and opened for traffic. Of the remaining line, *viz.*, Utraitia-Sultanpur-Zafarabad, the portion from Sultanpur to Zafarabad has already been opened for traffic during the year and the remaining portion between Utraitia to Sultanpur is expected to be completed and opened for traffic during 1955-56. A statement giving further particulars of expenditure on each of the works in progress is given on pages 30-31 of Part I of the Consolidated Programme.

51. *Track Renewals.*—A provision of 13.76 crores has been included in the Budget for 1955-56 on this account. Of this, 6.72 crores is for Works in Progress and the balance of 7.04 crores for New Works to be taken up in the next year.

52. The amount required for other Open Line Works is 27.03 crores (Capital 9.84 crores, Depreciation Reserve Fund 3.16 crores, Development Fund 8.10 crores and Revenue 5.93 crores). The distribution of the proposed expenditure amongst the important sub-heads is as follows:—

(In lakhs of rupees)

		Capital (No. 12-A)	D.R.F. (Demand No. 12-B)	D.F. (Demand No. 12-B)	Revenue (Demand No. 12-B)	Revenue Total
I. Bridge Works—						
(a) Works in Progress	3	1.18	6	..	3	1.30
(b) New Works . . . . .	..	25	..	..	4	29
II. Operating Improvements—						
(a) Works in Progress	7.65	1.39	1.65	..	3.24	13.94
(b) New Works	85	32	64	..	136	3.17
III. Staff Quarters—						
(a) Works in Progress	1.24	1	1.01	34	..	2.60
(b) New Works	6	1	1.02	61	..	1.70
IV. Staff Amenities—						
(a) Works in Progress . . . . .	..	..	60	19	..	79
(b) New Works . . . . .	..	..	12	12	..	24
V. Passenger Amenities—						
(a) Works in Progress . . . . .	..	..	2.03	..	..	2.03
(b) New Works . . . . .	..	..	97	..	..	97
SUMMARY—						
(a) Works in Progress	8.93	2.58	5.35	53	3.27	20.66
(b) New Works	91	58	2.75	73	1.40	6.37
GRAND TOTAL	9.84	3.16	8.10	1.26	4.67	27.03

53. The important works in progress costing more than 20 lakhs each are listed in Appendix I to this Memorandum. Of the works under this category, special mention may be made of the following five items:—

- (i) A sum of 2.28 crores has been provided in 1955-56 for the Integral Coach Factory, Perambur, estimated to cost 7.34 crores. The work is in full swing and the Civil Engineering side has practically been completed. The workshop is expected to go into production in the second half of the calendar year, 1955 and 20 coaches are expected to be turned out in the first year of production.

- (ii) A provision of 30 lakhs has been made for rail facilities to be provided at Kurla-Trombay (Central Railway) at an estimated cost of about 98 lakhs in connection with the establishment of two oil refineries in the Bombay State. Out of the total length of 5·8 route miles 4·2 miles have already been completed and opened to goods traffic in June 1954. The project is expected to be completed by March, 1955.
- (iii) Provision of 61 lakhs has been made for doubling the Anara Jaychandipahar-Burnpur Section (Eastern Railway) estimated to cost about 1·57 crores. A sum of about 84 lakhs is expected to be spent to the end of March, 1955. The work is being undertaken for dealing with the additional traffic for the steel works of the Indian Iron and Steel Co. This doubling will also open a channel for export of iron ore from Chakradharpur District to Calcutta docks via Sini-Asansol. The work is expected to be completed towards the end of the current calendar year.
- (iv) A sum of 70 lakhs has been provided for expenditure during 1955-56 on the conversion of the 52 mile Renigunta-Gudur Section of line from Metre Gauge to Broad Gauge. This work, which is estimated to cost about 2 crores, is intended to provide a Broad Gauge connection between Gudur and Renigunta to reduce the haulage of traffic intended for or via Arkonam, Katpadi and Jalarpet and to relieve congestion in Madras Area.
- (v) A sum of 47 lakhs is being provided during 1955-56 for the remodelling of the yard at Sabarmati, estimated to cost about 1.50 crores and sanctioned as a post budget development in order to cope with the increase in traffic and provide better facilities for handling of traffic. Similarly the remodelling of the marshalling yard at Ratlam has been sanctioned during the current year at an estimated cost of about 76 lakhs to provide better facilities for handling of traffic. Provision proposed for the Budget year is 10 lakhs.

54. *New Works.*—The works proposed to be taken up during 1955-56 are detailed in the respective Railways' consolidated programmes. Of these, the following are estimated to cost 20 lakhs or more:—

- (i) *Provision of Block system with colour light signals at Kurla Station (Central Railway).*—The estimated cost of the work is 25 lakhs and the provision for the year is 0.80 lakh. This is necessary to cope with the existing traffic as also the anticipated increase owing to the arrival of additional multiple unit stock and the additional traffic offering from the Trombay Oil Refineries as the traffic passing on all the lines at Kurla Station has exceeded the capacity of the absolute block system of signalling now in use.
- (ii) *Doubling of the Section between Rourkela and Manoharpur (Eastern Railway).*—This work is estimated to cost 1.31 crore and a provision of 15 lakhs has been made in the Budget year. The work is intended to increase the line capacity for handling additional traffic arising out of the expansion programme of steel works.
- (iii) *Remodelling of Chakradharpur Yard (Eastern Railway).*—The work is estimated to cost 33 lakhs and the provision for the

- year is 10 lakhs. It is required to provide adequate yard facilities for dealing with traffic.
- (iv) *Improvement of track and rebuilding of the Koel Bridge on the Birmitrapur Branch (Eastern Railway).*—This work is proposed to be undertaken at an estimated cost of about 43 lakhs, as the weak condition of the track and girders and piers of the Koel Bridge does not permit trains being worked with W.G. locomotives and forms a serious bottleneck on the capacity of the section. The provision proposed for the Budget year is 20 lakhs.
- (v) *Providing a new station building at Allahabad (Northern Railway).*—The anticipated cost of the work is 37.32 lakhs and a provision of 10 lakhs has been made in the Budget year. This is required to replace the existing station building which, being more than 90 years old, lacks modern amenities and is uneconomical to maintain.
- (vi) *Izatnagar—Expansion of Mechanical Workshops (North Eastern Railway).*—This work is proposed to be undertaken at a cost of 1.54 crores in order to supplement workshop capacity of which there is an acute shortage on the North-Eastern Railway.
- (vii) *Gadag-Sholapur Branch—Regirdering bridge No. 63 to branch line standard 21 x 150 feet spans (Southern Railway).*—This work is proposed to be undertaken at an estimated cost of 27 lakhs as the weak condition of the girders does not permit the free running of heavy types of engines and forms a serious bottleneck on the capacity of the section.
- (viii) *Works required to increase the line capacity of the Madras Mangalore Section (South West Line), Southern Railway.*—These works are estimated to cost 33.97 lakhs and a provision of 11.71 lakhs has been made in the Budget year. These are intended for increasing the line capacity of the South West line which at present is a bottleneck, for the free movement of food-grains, fertilizers and general goods to various centres served by the Jalarpet route and via.
- (ix) *Asarva Yard Remodelling (Western Railway).*—The work is estimated to cost 36.84 lakhs and a provision of 5 lakhs has been made in the Budget year. This is required to make sufficient space available in the Ahmedabad Yard to provide terminal facilities for dealing with additional passengers and shuttle services consequent upon the doubling of track between Ahmedabad and Mehsana.
- (x) *Phulera Yard Remodelling (Western Railway).*—The work is estimated to cost 50 lakhs and the provision for the year is 10 lakhs.
- (xi) *Udaipur and Dohad—Providing permanent training schools (Western Railway).*—The works at Udaipur and Dohad are estimated to cost 55.15 lakhs and 24.87 lakhs respectively and a provision of 10 lakhs for Udaipur and 3 lakhs for Dohad has been made in the Budget year. These are required for providing adequate facilities for training staff initially and subsequently for refresher courses in order to improve the quality of work of railwaymen.

55. *Line Capacity Works.*—An overall provision of 6.1 crores has been made for various line capacity works, including the works mentioned above. The important sections on which line capacity is being augmented are:—

- (i) The Madras-Raichur line of the Southern Railway.
- (ii) The Madras-Mangalore line of the Southern Railway.
- (iii) Doubling of the Section between Rourkela and Manoharpur on the Eastern Railway to provide necessary facilities for handling additional traffic due to the expansion programme of steel works.
- (iv) Provision of additional loops and crossing stations on the Lucknow and Allahabad Divisions etc. of the Northern Railway including the doubling of the Dilkusha Utrairita Section for stepping up the movement of goods from Moghalsarai from 1,500 to 2,000 wagons per day.

56. A list of works each costing between 5 lakhs and 20 lakhs is given on pages 33—36 of Part I of the Consolidated Works, Machinery and Rolling Stock Programmes.

57. *Investment in Road Services.*—A provision of 1.74 crore is proposed for investment in Road Services during 1955-56. A statement showing the investments made in 1954-55 is given at page 32 of the Programme.

58. *Stores and Manufacture Suspense.*—A provision of 2.18 crores has been made to cover stores and manufacture operations. The increase under Stores is 1.33 crores and is due to more purchases expected to be made for building up stocks for the higher level of plan activity and other transactions in the coming year.

59. *Vizagapatam Port.*—A provision of 0.61 crore has been included in the Programme for expenditure on works relating to this Port. This includes a provision of 50 lakhs for works connected with the establishment of oil refineries which are estimated to cost 146 lakhs chargeable to the Railway Estimates.

60. Credits to the extent of 3.02 crores mainly on account of released materials are expected to be adjusted in the accounts during the Budget year on account of Works, Machinery and Rolling Stock during 1955-56. These are, however, excluded from the scope of the Demands.

61. The total net estimated expenditure of 126.68 crores during 1955-56 on Works, Machinery and Rolling Stock Programme of the Railways is distributed Demand-wise as follows:—

Demand No. 12-A—Labour Welfare	1,07,45,000
Demand No. 12-B—Other than Labour Welfare	4,60,87,000
Demand No. 15—Construction of New Lines	5,65,87,000
Demand No. 16—Additions	58,40,52,000
Demand No. 17—Replacements	44,00,42,000
Demand No. 18—Development Fund	12,31,69,000
Demand No. 19—Vizagapatam Port	61,34,000
TOTAL	1,26,68,16,000

62. For further particulars of the Budget Estimate for expenditure chargeable to Capital, Depreciation Reserve Fund and Open Line Works—Revenue, a reference is invited to the Consolidated Works, Machinery and Rolling Stock Programmes of Railways, Parts I and II.

P. C. BHATTACHARYYA,
Financial Commissioner for Railways.

NEW DELHI;
Dated 22nd February, 1955.

APPENDIX I
WORKS IN PROGRESS

The important items under Works in Progress costing more than Rs. 20 lakhs each for which funds have been provided in 1955-56,

(Figures in lakhs of rupees)

Serial No.	Description of Work	Latest antici- pated cost	Approximate expenditure to end of 1954-55	Provision in 1955-56	Balance to complete work
CENTRAL RAILWAY					
1	Kalyan Power House Extensions . . .	305	2,93	12	..
2	Kurla-Trombay Rail Facilities for oil refineries at— . . .	98	51	30	17
3	Kalyan Power House—Providing additional 18 M.W. Plant . . .	70	1	31	38
EASTERN RAILWAY					
4	Doubling of Anara Jaychandipahar Burnpur Section; . . .	1,54 R 3	84	61	9
5	Doubling of Sini-Gomharria Section . . .	46	29	16	1
6	Provision of a third line from Mile 5/B to East Dock Junction . . .	23	12	7	4
7	Provision of fans in Class II compartments . . .	24	21	1	2
NORTHERN RAILWAY					
8	Lucknow Charbagh—Modernisation of Loco Shop Charbagh . . .	55	2	10	43
9	Doubling of Dilkusha-Utratia Section . . .	26	1	16	9
10	Carriage & Wagon Repair Centre near Jagadri . . .	65	62	1	2
11	New Delhi—Providing additional accommodation for Headquarters in Baroda House . . .	133	28	4	1
12	New Delhi—Construction of additional wing for Northern Railway Headquarters in Baroda House. . .	30	1	26	3
NORTH EASTERN RAILWAY					
13	Clutterbuckganj—Providing sleeper creosoting Yard with plant, etc. . .	37	25	8	4
14	Alipur Duar—Construction of new station, goods and marshalling yard and Loco Shed with necessary staff quarters in connection with junction arrangements. . .	1,51 ARLP 9	1,13 9	8	30
15	Pandu—Construction of headquarters of ex. Assam Railway and necessary staff quarters . . .	1,41	1,40	1	..
16	Gorakhpur—Expansion of Workshop . . .	1,17	51	33	33
17	Gorakhpur—Remodelling of Loco Sheds . . .	28	11	3	14

(Figures in lakhs of rupees)

Serial No.	Description of Work	Latest anticipated cost	Approximate expenditure to end of 1954-55	Provision in 1955-56	Balance to complete work
NORTH EASTERN RAILWAY—concl.					
18	Permanent restoration of breaches between Baghdogra and Alipurduar Junction in the Pandu Region including bridges on open foundations between Mal Junction and Binnaguri (1954 Floods).	73	28	45	..
19	Permanent restoration of breaches in Pandu Region excluding the Section Baghdadra to Alipurduar Junction (1954 Floods) . . .	24	10	14	..
SOUTHERN RAILWAY					
20	Bezwada—Remodelling of Yard . . .	96 R 2	7	21	68
21	Renigunta-Gudur—Conversion into B. G. . . .	1,89 R 12	19	70	1,00
22	Gadag-Sholapur Branch—Regirderring to Branch Line standard 100 ft. span of Bridge Nos. 8 (12 x 100 ft. girders) and 76 (8 x 100 ft. girders) . . .	21	..	7	14
23	Tiruvarur Junction—Remodelling of . . .	28	6	5	17
WESTERN RAILWAY					
24	Broad Gauge System—Regirderring and reconditioning (including strengthening as necessary) girders and rebuilding sub-structure of Bridges which are at present not strong enough to carry 20 ton axle load standard (X. C. engines) . . .	1,21 R 14	58	4	
25	Narbada Bridge—Raising South abutment groyne and providing an apron as a protective measure to safeguard the South approach of the (at Mile 202-4966) Ministry of Transport	16 12	3	6	7
26	Ahmedabad-Kalol—Doubling the track between . . .	96	18	45	33
27	Ratlam—Remodelling the marshalling yard at . . .	76	5	10	61
28	Sabarmati—Remodelling the yard at . . .	1,50	12	47	91
29	Dohad—Providing new power house and improvements to power supply at . . .	28	25	3	..
30	Ajmer—Replacing the existing generating plant in Ajmer Power House and improvements to power supply at . . .	31	..	16	15
31	Bandra Borivili—Works required in connection with the intensification of suburban traffic between . . .	27	4	3	20
32	Replacement of undersized dynamos and batteries . . .	26	9	5	12
33	Godhra-Ratlam Section—Extension of existing loops from 1,800 ft. to 2,240 ft. (22 stations) . . .	21	9	5	7
34	Adipur-Bhuj—Conversion of the narrow-gauge line into metre gauge line . . . (Portion chargeable to Open Line Works)	27	19	8	..
35	Integral Coach Factory, Perambur . . .	7,34	5,88	2,28	118

APPENDIX
Passenger and other Railway

Railways	Provision of and improvement of latrines	Water supply at stations	Provision of waiting rooms, waiting halls and festival sheds including provision of water-borne sanitary latrines	Provision of refreshment rooms, retiring rooms and vendors stalls	Extending, raising, widening, surfacing and covering of platforms, etc.
I	2	3	4	5	6
Central	3,00	1,37	3,85	3,20	13,33
Eastern	1,53	4,07	10,66	51	10,61
Northern . . . . .	..	1,01	1,04	20	8,20
North Eastern	1,15	60	1,90	90	29,14
Southern	1,40	1,41	2,51	2,45	10,70
Western	1,44	54	11,98	2,70	8,76
TOTAL .	8,52	9,00	31,94	9,96	80,74

II

users' Amenities, 1955-56

(Figures in thousands of rupees)

P rovision of new over- bridges and subways and exten- sions, im- provements and covering of existing over- bridges	Improved lighting and provi- sion of fans for stations, platforms, waiting halls, etc.	Provision of bathing facilities at stations	Improved station approaches including improved lighting	Improve- ment to existing carriages, such as provision of fans, improved lighting, lavatories, etc.	Other works considered essential for meeting the require- ments of passengers including booking facilities, improve- ments of passenger lines, etc.	Improve- ment to goods, loading and unloading platforms, waiting Sheds for trading public, etc.	Total
7	8	9	10	11	12	13	14
2,10	1,70	1,10	4,10	..	4,65	60	39,00
3,02	4,05	10	1,19	1,33	16,59	34	54,00
1,14	2,11	..	..	7,00	31,95	1,35	54,00
1,10	3	40	60	6,38	1,80	..	44,00
1,40	3,00	1,40	1,81	10,45	12,47	..	49,00
67	54	30	1,31	8,22	23,54	..	60,00
9,43	11,43	3,30	9,01	33,38	91,00	2,29	3,00,00

APPENDIX

Amenities for staff

WORKS

Railways	New Hospitals, Dispensaries and additions and improvements to existing ones	New Schools, additions, alterations and improvements to existing ones	New Institutes, Rest houses, Sports Grounds and Reading rooms and improvements and additions to existing ones	Provision and improvement of health and welfare works, child welfare and maternity centres, cooling arrangements for workshops, canteens and Rest rooms for workmen	Provision and improvement of sanitation, water supply, road-lighting and marketing facilities in Railway Colonies	Provision for officers' quarters	Improvements and alterations to existing quarters of whatever type
I	2	3	4	5	6	7	8
1. Central .	1,12	..	10	3,31	9,26	1,20	6,00
2. Eastern .	3,39	1,05	88	1,44	12,00	3,52	6,10
3. Northern .	3,15	..	18	1,80	3,92	2,99	4,25
4. North Eastern .	2,54	..	20	1,30	7,96	1,40	1,80
5. Southern .	9,14	..	1,98	2,23	4,65	75	6,00
6. Western .	91	..	..	3,71	5,13	2,60	2,80
TOTAL .	20,25	1,05	3,34	13,79	42,92	12,46	26,99

III

in 1955-56

(Figures in thousands of rupees)

OTHER SERVICES									
Quarters for Class III staff	Quarters for Class IV staff	Other Works	Total	Medical expenses	Health & Welfare Services	Education	Canteen and other staff amenities	Total	Grand Total
9	10	11	12	13	14	15	16	17	18
28,26	22,19	8,56	80,00	27,38	27,47	27,63	5,28	87,76	1,67,76
1,08,80	7,09	2,73	1,47,00	33,46	74,80	21,57	3,55	1,33,38	2,80,38
56,76	35,96	4,95	1,14,00	22,50	34,50	18,14	2,41	77,55	1,91,55
22,38	14,22	20	52,00	25,19	36,05	9,43	1,64	72,31	1,24,31
28,03	25,22	..	78,00	27,55	19,23	4,76	3,34	54,88	1,32,88
28,30	16,30	2,25	62,00	22,94	15,85	15,56	1,45	55,80	1,17,80
2,72,53	1,20,98	18,69	5,33,0	1,59,02	2,07,90	97,09	17,67	4,81,68	10,14,68

APPENDIX IV

CAPITAL AND DEPRECIATION RESERVE FUND EXPENDITURE ON OPEN LINES AND NEW CONSTRUCTIONS DURING 1955-56

(Figures in thousands of rupees)

Railways	OPEN LINES			NEW CONSTRUCTIONS			Depreciation Fund	
	Rolling Stock	Other Items	Total	Lines in Progress		New Lines		
				Capital	Depreciation Fund			
Central	77.58	22.64	—57	2,58,36	19.64	2,81,00	..	
Eastern	67.83	85.93	2,11.35	3,70.57	2,79.20	4,56.50	50,00 ..	
Northern	10.93	68.81	3,47.20	1,23.18	3,58.13	1,91.99	3.50 ..	
North Eastern	96.38	1,59.25	54.47	2,45.20	1,50.85	4,04.45	5 ..	
Southern	..	78.06	2,27.57	2,53.17	3,04.51	3,31.23	34.00 ..	
Western	..	59.92	3,24.61	2,62.27	3,69.45	3,22.19	53.13 ..	
Chittaranjan Locomotive Works	..	..	19.26	..	119.26	..	.. ..
Integral Coach Factory (Perambur)	..	3,75.98	..	3,75.98	..	..	.. ..

Calcutta Electrification Project	..	..	..	..	..	2,00,00	..	..	2,00,00
Ganga Bridge	..	..	..	..	..	2,53,80	..	..	2,53,80
Board	51,54,69	30,01,05	..	51,54,69	30,01,05	..	..	..	..
Purchase price of Barsi Light Railway	..	..	9.93	..	9.93	..	..	..	..
TOTAL	55,29,21	34,75,66	15,12,43	15,12,75	70,41,64	49,88,41	5,94,48	..	71,35
Probable Savings	..	..	..	..	9,98,49	-7,90,62	..	..	-99,86
TOTAL—OPEN LINES AND NEW CONSTRUCTIONS	..	..	..	..	60,43,15	41,97,79	..	..	55,55,87
Vizagapatam Port	2,76	..	58,58	..	61,34	..	..	..	..

APPENDIX V

DEVELOPMENT FUND EXPENDITURE ON OPEN LINES AND NEW CONSTRUCTIONS DURING 1955-56

(Figures in thousands of rupees)

Railways	Open Line Works			New Constructions and Restorations		
	Works in Progress	New Works	Total	Lines in Progress	New Lines	Total
Central . . .	50,83	67,26	1,18,09	1,50,00	..	1,50,00
Eastern . . .	1,21,34	42,13	1,63,47	6,15	..	6,15
North . . .	1,03,62	60,89	1,64,51	1,53,42	..	1,53,42
North-Eastern . .	1,15,14	10,39	1,25,53	2,00	..	2,00
Southern . . .	59,54	60,49	1,20,03	1,18,13	..	1,18,13
Western . . .	88,07	39,55	1,27,62	*73,39	..	73,39
Purchase of Barsi Light Railway . . .	1,08,12	..	1,08,12	..	..	..
TOTAL	6,46,66	2,80,71	9,27,37	5,03,09	..	5,03,09
Probable Savings .	..	..	-1,23,30	..	..	-75,47
Net			8,04,07			4,27,62

*Includes 40 for "Plant and Machinery".

APPENDIX VI

CAPITAL-AT-CHARGE OF INDIAN GOVERNMENT RAILWAYS ETC.

(Figures in lakhs of rupees)

	Railways	1953-54	1954-55	1955-56
1. Central	1,66,36	1,70,12	1,70,12	
2. Eastern	2,18,34	2,22,38	2,25,35	
3. Northern	1,36,90	1,41,12	1,44,52	
4. North Eastern	86,82	92,00	93,24	
5. Southern	1,18,51	1,21,62	1,27,55	
6. Western	1,11,07	1,15,39	1,19,65	
7. Chittaranjan Locomotive Works	22,62	23,39	23,58	
8. Integral Coach Factory (Perambur)	1,42	4,39	7,81	
9. State Railway Collieries	6,81	..	..
10 Railway Board and other Miscellaneous items . . . .	..	..	43,81
11. Mokameh—Providing B. G. Rail-cum-Road Bridge over the Ganga at—	45	1,44	3,60	
12. Calcutta Electrification . . . . .	..	13	1,83
TOTAL	8,69,30	8,94,98	9,61,07	

NOTE 1.—The figures included under Eastern, Northern & North Eastern Railways relating to the portions of the *ex-Assam*, *ex-Eastern Punjab* and sections of late Bengal Assam Railway amalgamated on partition with *ex-E. I. Railway*, represent only the estimated Capital-at-Charge.

NOTE 2.—Capital-at-Charge of States lines which were amalgamated with Government Railways during 1949-50 and of those worked lines which are vested in the Centre from 1950-51 has been added to the capital of respective Railways. These figures are still provisional.

APPENDIX VII
CENTRAL RAILWAY
Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

		Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Traffic Earnings—				
(a) Coaching—				
(i) Passengers—				
Upper	2,60,91	2,13,00	2,19,00	
Third	15,86,79	17,11,00	17,56,00	
(ii) Other Coaching	4,29,95	5,10,00	5,12,00	
(b) Goods	31,15,00	30,00,00	31,50,00	
(c) Sundry Other Earnings	91,95	1,11,00	1,20,00	
	Total	54,84,60	55,75,00	57,57,00
Suspense . . . . .		..	..	..
	Gross Traffic Receipts*	54,84,60	55,75,00	57,57,00
Working Expenses—				
Ordinary Working Expenses—				
(i) Administration	4,42,88	4,52,58	4,75,77	
(ii) Repairs and Maintenance	12,32,74	12,73,15	13,12,38	
(iii) Operating Staff	7,64,36	7,64,83	8,13,43	
(iv) Operation (Fuel)	4,84,21	4,58,30	4,73,50	
(v) Operation other than Staff and Fuel	2,47,61	2,58,16	2,34,20	
(vi) Miscellaneous Expenses	3,43,47	3,02,38	2,59,34	
(vii) Labour Welfare	70,38	69,15	87,76	
	Total	35,85,65	35,78,55	36,56,38
Suspense		—6,65	—2,63	—2,63
	Total Working Expenses	35,79,00	35,75,92	36,53,75
Appropriation to Depreciation Reserve Fund	5,90,00	5,95,57	6,87,85	
Payments to Worked Lines as share of earnings	10,24	7,07	8,67	
	Total Working Expenses	41,79,24	41,78,56	43,50,27
	Net Traffic Receipts	13,05,36	13,96,44	14,06,73
Miscellaneous Transactions—				
(a) Receipts—				
(i) Guarantee recoverable from Local Governments for unremunerative lines . . . . .	..	..	..
(ii) Other receipts from subsidised companies	3,02	1,71	1,71	
(iii) Miscellaneous Railway Receipts	3	4	4	
	Total Receipts	3,05	1,75	1,75
(b) Expenditure—				
(i) Rebate . . . . .	..	..	..
(ii) Land . . . . .	..	..	..
(iii) Surveys	1,35	1,65	3,06	
(iv) Open Line Works—Revenue	1,03,15	1,06,81	80,75	
	Total Expenditure	1,04,50	1,08,46	83,81
	Net Miscellaneous Receipts	—1,01,45	—1,06,71	—82,06
	Net Revenue	12,03,91	12,89,73	13,24,67
Dividend to General Revenues		6,62,99	6,72,97	6,62,14
Profit (+) and loss (—) for the year		5,40,92	6,16,76	1,62,53

*Includes receipts of Worked Lines 20,47 13,84 16,50

APPENDIX VII—*contd.*
EASTERN RAILWAY
Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Traffic Earnings—			
(a) Coaching—			
(i) Passengers—			
Upper	2,38,16	2,03,00	2,09,00
Third	17,00,55	16,86,00	17,30,00
(ii) Other Coaching	3,50,99	4,19,00	3,97,00
(b) Goods	46,28,62	50,80,00	53,10,00
(c) Sundry Other Earnings	1,19,28	1,21,00	1,30,00
	Total	70,37,60	75,09,00
Suspense . . . . .		..	..
Gross Traffic Receipts	70,37,60	75,09,00	77,76,00
Working Expenses—			
Ordinary Working Expenses—			
(i) Administration	7,94,79	8,08,89	8,38,09
(ii) Repairs and Maintenance	19,03,94	20,49,79	21,37,77
(iii) Operating Staff	11,48,82	11,71,60	12,47,29
(iv) Operation (Fuel)	—57,05	1,35,13	1,25,99
(v) Operation other than Staff and Fuel	1,92,51	1,87,06	1,27,60
(vi) Miscellaneous Expenses	6,56,34	5,71,69	5,22,09
(vii) Labour Welfare	1,25,05	1,25,04	1,33,38
	Total	47,64,40	50,49,70
Suspense		—56,85	33,40
Total Ordinary Working Expenses	47,07,55	50,82,60	51,46,87
Appropriation to Depreciation Reserve Fund	7,92,26	7,81,66	8,99,14
Total Working Expenses	54,99,81	58,64,26	60,46,01
Net Traffic Receipts	15,37,79	16,44,74	17,29,99
Miscellaneous Transactions—			
(a) Receipts—			
(i) Guarantee recoverable from Local Governments for unremunerative lines. . . . .	..	..	..
(ii) Other receipts from subsidised companies . . . . .	..	4	..
(iii) Miscellaneous Railway Receipts	10	25	24
	Total Receipts	10	29
(b) Expenditure—			
(i) Land	7	7	7
(ii) Surveys	85	2,08	3,45
(iii) Open Line Works—Revenue	1,28,38	1,10,04	99,29
	Total Expenditure	1,29,30	1,12,19
Net Miscellaneous Receipts	—1,29,20	—1,11,90	—1,02,57
Net Revenue	14,08,59	15,32,84	16,27,42
Dividend to General Revenues	9,00,40	8,81,45	8,78,20
Profits (+) and loss (—) for the year	5,08,19	6,51,39	7,49,22

APPENDIX VII—contd.
NORTHERN RAILWAY
Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

		Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Traffic Earnings—				
(a) Coaching—				
(i) Passengers—				
Upper	1,77,61	1,90,00	1,95,00	
Third	15,33,84	16,87,00	17,31,00	
(ii) Other Coaching	2,69,87	2,38,00	2,25,00	
(b) Goods	19,64,44	20,40,00	21,60,00	
(c) Sundry Other Earnings	93,85	96,00	1,03,00	
	Total	40,39,61	42,51,00	44,14,00
Suspense		12,93	12,00	5,00
	Gross Traffic Receipts	40,52,54	42,63,00	44,19,00
Working Expenses—				
Ordinary Working Expenses—				
(i) Administration	4,34,19	4,70,11	4,90,12	
(ii) Repairs and Maintenance	9,75,70	10,08,24	11,07,13	
(iii) Operating Staff	7,13,82	7,36,65	7,84,12	
(iv) Operation (Fuel)	4,06,16	3,41,08	3,28,02	
(v) Operation other than Staff and Fuel.	1,27,63	1,45,52	1,26,87	
(vi) Miscellaneous Expenses	2,46,23	2,26,94	2,09,80	
(vii) Labour Welfare	66,88	68,27	77,55	
	Total	29,70,61	29,96,81	31,23,61
Suspense		—7,17	—1,62	—94
	29,63,44	29,95,19	31,22,67	
Total Ordinary Working Expenses				
Appropriation to Depreciation Reserve Fund				
Payments to Worked Lines as share of earnings	4,86,32	4,90,10	5,70,57	
	
	34,49,76	34,85,29	36,93,24	
Net Traffic Receipts	6,02,78	7,77,71	7,25,76	
Miscellaneous Transactions—				
(a) Receipts—				
(i) Guarantee recoverable from Local Governments for unremunerative lines . . . . .	..	..	..
(ii) Other receipts from subsidised companies . . . . .	..	..	..
(iii) Miscellaneous Railway Receipts	71	3 90	45 93	
	Total Receipts	71	93	1,38
(b) Expenditure—				
(i) Rebate . . . . .	..	..	..
(ii) Land . . . . .	..	..	..
(iii) Surveys . . . . .	..	—2,82	..	
(iv) Open Line Works—Revenue	89,22	98,57	1,22,52	
	Total Expenditures	89,22	95,75	1,22,52
Net Miscellaneous Receipts	—88,51	—94,82	—1,21,14	
Net Revenue	5,14,27	6,82,89	6,04,62	
Dividend to General Revenues				
	5,32,95	5,40,75	5,47,86	
Profit (+) and loss (—) for the year	—18,68	1,42,14	56,76	

APPENDIX VII—contd.
NORTH EASTERN RAILWAY
Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Traffic Earnings—			
(a) Coaching—			
(i) Passengers—			
Upper	67,96	90,00	93,00
Third	10,92,56	10,11,00	10,38,00
(ii) Other Coaching	87,42	79,00	75,00
(b) Goods	9,21,90	10,50,00	11,20,00
(c) Sundry Other Earnings	42,56	29,00	31,00
Total	22,12,40	22,59,00	23,57,00
Suspense	5,00	5,00	5,00
Gross Traffic Receipts*	22,17,40	22,64,00	23,62,00
Working Expenses—			
Ordinary Working Expenses—			
(i) Administration	3,45,59	3,82,30	3,98,96
(ii) Repairs and Maintenance	7,21,61	8,36,67	7,72,34
(iii) Operating Staff	4,57,34	4,81,25	5,14,37
(iv) Operation (Fuel)	2,04,85	2,27,74	2,29,83
(v) Operation other than Staff and Fuel	1,34,19	1,43,79	1,17,00
(vi) Miscellaneous Expenses	2,26,17	1,97,50	1,58,43
(vii) Labour Welfare	60,70	61,28	72,31
Total	21,50,45	23,30,53	22,63,24
Suspense	—7,20	76,64	—18,32
Total Ordinary Working Expenses	21,43,25	24,07,17	22,44,92
Appropriation to Depreciation Reserve Fund.	3,06,24	3,10,81	3,71,99
Payments to Worked Lines as share of earnings	2,22	3,11	3,33
Total Working Expenses	24,51,71	27,21,09	26,20,24
Net Traffic Receipts	—2,34,31	—4,57,09	—2,58,24
Miscellaneous Transactions—			
(a) Receipts—			
(i) Guarantee recoverable from Local Governments for unremunerative lines . . . . .	..	..	..
(ii) Other receipts from subsidised companies	17 2	2 14	38 21
(iii) Miscellaneous Railway Receipts . . . . .	..	..	..
Total Receipts	19	16	59
(b) Expenditure—			
(i) Rebate	10	10	..
(ii) Surveys	2,00	1,18	1,87
(iii) Open Line Works—Revenue	1,20,28	1,14,51	64,02
Total Expenditure	1,22,38	1,15,79	65,89
Net Miscellaneous Receipts	—1,22,19	—1,15,63	—65,30
Net Revenue	—3,56,50	—5,72,72	—3,23,54
Dividends to General Revenues	3,47,96	3,57,52	3,62,95
Profit (+) and loss (—) for the year	—7,04,46	—9,30,24	—6,86,49
*Includes receipts of Worked Lines	4,43	6,21	6,52

APPENDIX VII—contd.

SOUTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Traffic Earnings—			
(a) Coaching—			
(i) Passengers—			
Upper	1,98,16	1,87,00	1,92,00
Third	16,53,37	15,41,00	15,82,00
(ii) Other Coaching	3,01,26	3,35,00	3,17,00
(b) Goods	20,13,60	20,50,00	21,50,00
(c) Sundry Other Earnings	87,05	87,00	93,00
Total	42,53,44	42,00,00	43,34,00
Suspense . . . . .	..	24,00	—
Gross Traffic Receipts*	42,53,44	42,24,00	43,34,00
Working Expenses—			
Ordinary Working Expenses—			
(i) Administration	4,22,21	4,42,70	4,55,75
(ii) Repairs and Maintenance	9,35,48	9,74,47	10,84,79
(iii) Operating Staff	7,55,16	7,86,43	8,20,35
(iv) Operation (Fuel)	7,81,48	7,78,02	7,78,47
(v) Operation other than Staff and Fuel	1,15,14	1,55,25	1,42,17
(vi) Miscellaneous Expenses	3,12,27	3,15,45	2,92,67
(vii) Labour Welfare	52,67	54,05	54,88
Total	33,74,41	35,06,37	36,29,08
Suspense	—7,77	—64,37	—16,79
Total Ordinary Working Expenses	33,66,64	34,42,00	36,12,29
Appropriation to Depreciation Reserve Fund	4,22,92	4,24,24	5,03,89
Payments to Worked Lines as share of earnings	9,91	9,13	8,81
Total Working Expenses	37,99,47	38,75,37	41,24,99
Net Traffic Receipts	4,53,97	3,48,63	2,09,01
Miscellaneous Transactions—			
(a) Receipts—			
(i) Guarantee recoverable from Local Governments for unremunerative lines	84 3	3,12 2	89 2
(ii) Miscellaneous Railway Receipts			
Total Receipts	87	3,14	91
(b) Expenditure—			
Rebate . . . . .	..	..	..
Surveys	4,57 1,09,08	6,99 1,12,30	5,61 1,12,64
Open Line Works—Revenue			
Total Expenditure	1,13,65	1,19,29	1,18,25
Net Miscellaneous Receipts	—1,12,78	—1,16,15	—1,17,34
Net Revenue	3,41,19	2,32,48	91,67
Dividend to General Revenues	4,77,54	4,83,04	4,88,31
Profit (+) and Loss (—) for the year	—1,36,35	—2,50,56	—3,96,64

*Includes receipts of Worked Lines.

50,51

44,31

42,71

APPENDIX VII—concl.
WESTERN RAILWAY
Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

		Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Traffic Earnings—				
(a) Coaching—				
(i) Passengers—				
Upper	1,97,40	1,87,00	1,92,00	
Third	14,43,86	14,74,00	15,13,00	
(ii) Other Coaching	3,10,71	2,89,00	2,74,00	
(b) Goods	22,16,34	23,80,00	25,00,00	
(c) Sundry Other Earnings	72,51	86,00	93,00	
Total	42,40,82	44,16,00	45,72,00	
Suspense	39,00	29,00	30,00	
Gross Traffic Receipts	42,79,82	44,45,00	46,02,00	
Working Expenses—				
Ordinary Working Expenses—				
(i) Administration	3,80,47	3,88,27	4,22,04	
(ii) Repairs and Maintenance	9,03,49	9,31,54	9,97,55	
(iii) Operating Staff	5,62,51	5,78,97	6,35,40	
(iv) Operation (Fuel)	3,97,42	4,35,71	4,26,41	
(v) Operation other than Staff and Fuel	1,84,52	1,68,21	1,39,31	
(vi) Miscellaneous Expenses	2,09,24	1,99,00	1,95,55	
(vii) Labour Welfare	44,86	45,97	55,80	
Total	26,82,51	27,47,67	28,72,06	
Suspense	— 12,00	25,23	5,86	
Total Ordinary Working Expenses	26,70,51	27,72,90	28,77,92	
Appropriation to Depreciation Reserve Fund	4,02,26	3,97,62	4,66,56	
Payments to Worked Lines as share of earnings . . . . .	..	..	..
Total Working Expenses	30,72,77	31,70,52	33,44,48	
Net Traffic Receipts	12,07,05	12,74,48	12,57,52	
Miscellaneous Transactions—				
(a) Receipts—				
(i) Guarantee recoverable from Local Governments for unremunerative lines . . . . .	..	..	..
(ii) Miscellaneous Railway Receipts	17	27	17	
Total Receipts	17	27	17	
(b) Expenditure—				
(i) Surveys	1,64	2,94	3,30	
(ii) Land . . . . .	..	..	..
(iii) Open Line Works—Revenue	1,12,08	1,19,51	89,10	
Total Expenditure	1,13,72	1,22,45	92,40	
Net Miscellaneous Receipts	— 1,13,55	— 1,22,18	— 92,23	
Net Revenue	10,93,50	11,52,30	11,65,29	
Dividend to General Revenues	4,57,80	4,52,92	4,55,47	
P rofit (+) and Loss (—) for the year	6,35,70	6,99,38	7,09,82	

APPENDIX VII-A

*Statement of Receipts and Expenditure of Indian Government Railways,
1955-56*

(Figures in thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate 1955-56
Traffic Earnings—				
(a) Coaching—				
(i) Passengers—				
Upper	11,69,80	11,40,20	10,70,00	11,00,00
Third	88,29,96	90,10,97	91,10,00	93,50,00
(ii) Other Coaching	18,01,07	17,50,20	19,00,00	18,00,00
(b) Goods	1,47,18,16	1,48,59,90	1,56,00,00	1,63,90,00
(c) Sundry Other Earnings	5,17,47	5,07,20	5,30,00	5,70,00
	TOTAL	2,70,36,46	2,72,68,47	2,82,10,00
Suspense	<u>3,92,81</u>	<u>56,93</u>	<u>70,00</u>	<u>40,00</u>
Gross Traffic Receipts*	2,74,29,27	2,73,25,40	2,82,80,00	2,92,50,00
Working Expenses—				
Ordinary Working Expenses—				
(i) Administration	27,87,66	28,20,13	29,44,85	30,80,73
(ii) Repairs and Maintenance	68,08,56	66,72,96	70,73,86	74,11,96
(iii) Operating Staff	43,39,81	44,02,01	45,19,73	48,14,96
(iv) Operation (Fuel)	23,98,14	22,17,07	23,75,98	23,62,22
(v) Operation other than Staff and Fuel	13,95,87	10,01,67	10,57,99	8,87,15
(vi) Miscellaneous Expenses	18,64,34	19,93,72	18,12,96	16,37,88
(vii) Labour Welfare	4,03,30	4,20,54	4,23,76	4,81,68
	TOTAL	1,99,97,68	1,95,28,03	2,02,09,13
Suspense	<u>1,49,53</u>	<u>97,64</u>	<u>6,65</u>	<u>—18,16</u>
Total Ordinary Working Expenses	2,01,47,21	1,94,30,39	2,02,75,78	2,06,58,42
Appropriation to Depreciation Reserve Fund	30,00,00	30,00,00	30,00,00	35,00,00
Payments to Worked Lines as share of earnings	28,03	22,37	19,31	20,81
Total Working Expenses	2,31,75,24	2,24,52,76	2,32,95,09	2,41,79,23
Net Traffic Receipts	42,54,03	48,72,64	49,84,91	50,70,77
Miscellaneous Transactions—				
(a) Receipts—				
(i) Guaranteed recoverable from Local Governments for unremunerative lines . . . . .	..	84	3,12	89
(ii) Other receipts from subsidised companies	3,76	3,19	1,80	2,54
(iii) Miscellaneous Railway Receipts	27,17	25,65	1,73	1,70
	Total Receipts	30,93	30,68	6,65
Expenditure—				
(b)(i) Rebate . . . . .	..	10	10	..
(ii) Subsidy	6,81	7,77	7,38	8,19
(iii) Land	7	7	7	7
(iv) Surveys	—52	10,41	12,02	17,29
(v) Miscellaneous Railway Expenditure	1,49,14	1,58,89	1,56,83	1,60,70
(vi) Open Line Works—Revenue	4,37,98	6,62,19	6,61,74	5,68,32
	Total Expenditure	5,93,48	8,39,43	8,38,14
Net Miscellaneous Receipts	—5,62,55	—8,08,75	—8,31,49	7,49,44
Net Revenue—Carried over	36,91,48	40,63,89	41,53,42	43,21,33

*Includes receipts of Worked Lines.

86,82

74,88

63,36

65,75

APPENDIX VII-A. —*concld.**Statement of Receipts and Expenditure of Indian Government Railways 1955-56.*

(Figures in thousands of rupees)

	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
Net Revenue Brought Forward	36,91,48	40,63,89	41,53,42	43,21,33
Dividend to General Revenues	34,35,77	35,49,85	34,96,32	36,07,16
Profit for the year	2,55,71	5,14,04	6,57,10	7,14,17

The figures of actuals, for 1953-54 are exclusive of freight charges which were eliminated from financial accounts of Railways from 1-4-52 to 31-3-54. From 1954-55 these charges are included under various Demands and have been treated as recoveries under Demand No. 7 in respect of freight on coal and under Demand No. 8 in respect of other freight charges.

APPENDIX VIII

Depreciation Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	With-drawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	Actual closing balance*
1924-25	10,35	7,29	3,06	3,06	..	3,06
1925-26	10,67	7,99	2,68	5,74	..	5,74
1926-27	10,89	8,05	2,84	8,58	..	8,58
1927-28	11,38	10,95	43	9,01	..	9,01
1928-29	12,00	9,60	2,40	11,41	..	11,41
1929-30	12,59	11,76	83	12,24	..	12,24
1930-31	13,07	11,39	1,68	13,92	..	13,92
1931-32	13,46	8,26	5,20	19,12	4,25	14,87
1932-33	13,77	6,35	7,42	26,54	10,23	12,06
1933-34	13,56	8,07	5,49	32,03	7,96	9,59
1934-35	13,72	8,66	5,06	37,09	5,06	9,59
1935-36	13,26	9,16	4,10	41,19	4,00	9,69
1936-37	13,17	7,88	5,29	46,48	— 1,21	16,19
1937-38	12,59	(a) 7,69	4,90	(b) 49,90	..	(b) 19,61
1938-39	12,56	7,08	5,48	55,38	..	25,09
1939-40	12,59	6,53	6,06	61,44	..	31,15
1940-41	12,64	7,19	5,45	66,89	..	36,60
1941-42	12,68	5,35	7,33	74,22	— 7,91	51,84
1942-43	(c) 12,80	4,95	7,85	82,07	(d) — 22,38	82,07
1943-44	16,87	6,64	10,23	92,30	..	92,30

* The closing balances from 1933-34 to 1941-42 include Rs. 9 lakhs on account of Loans to Branch Line Companies and those from 1937-38 to 1941-42 also include Rs. 31 lakhs on account of Investments in Branch Line Shares. In 1942-43 these amounts were transferred to the Railway Reserve Fund Investment Account.

(a) Includes 32 lakhs written off capital on account of abandoned assets.

(b) Excludes 1,48 lakhs, balance for Burma Railway.

(c) Includes 23 lakhs transferred from Bengal and North Western and Rohilkund and Kumaon Railways' Renewal suspense.

(d) Includes 6,30 lakhs transferred from the Railway Reserve Fund.

APPENDIX VIII—concl.

Depreciation Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	Actual closing balance*
1944-45	17,01	8,18	8,83	(f) 1,02,21	..	(f) 1,02,21
1945-46	(e) 17,25	12,01	5,24	1,07,45	..	1,07,45
1946-47	13,21	12,37	84	1,08,29	..	1,08,29
1947-48 (1-4-47 to 14-8-1947)	6,86	2,66	4,20	(g) 1,12,49	..	(g) 1,12,49
1947-48 (15-8-47 to 31-3-48)	6,81	3,27	3,54	(h) 95,74	..	(h) 95,74
1948-49	(i) 23,11	17,28	5,83	1,01,57	..	1,01,57
1949-50	19,17	11,73	7,44	1,09,01	..	1,09,01
1950-51	33,59	26,63	6,96	(j) 1,23,65	..	(j) 1,23,65‡
1951-52	(k) 33.79	35.87	—2,08	1,22,02	..	(l) 1,22,02‡
1952-53	(m) 34,42	40,89	—6.47	1,16,36	..	(n) 1,16,36‡
1953-54	(o) 33.97	38,02	—4,05	1,12,79	..	(p) 1,12,79‡
1954-55 (Revised Estimate)	(q) 33.75	43.86	—10,11	1,02,68	..	1,02,68‡
1955-56 (Budget Estimate)	(r) 38,61	41,98	—3,37	99,31	..	99,31‡

(e) Includes 20 lakhs recovered from the Bengal and North Western company on account of over-age rolling stock.

(f) Includes 1,08 lakhs transferred from Renewal Reserve Fund for permanent way and rolling stock of the Bengal Nagpur, Madras and Southern Maharatta and South Indian Railways.

(g) Includes 20.30 lakhs, the estimated balance relating to Pakistan Railway.

(h) Excludes 20.30 lakhs, the estimated share less 1.19 lakhs on account of abandoned assets relating to Pakistan Railways.

(i) Includes 11.80 lakhs appropriated from the surplus.

(j) Includes 7,67 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950. Difference of 1 is due to rounding.

(k) Includes 3.58 lakhs on account of interest on the balance and 21 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(l) Includes 8.12 lakhs (Provisional) on account of ex-Indian States Railways taken over from 1-4-1950.

(m) Includes 4.09 lakhs on account of interest on the balance and 33 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(n) Includes 8.93 lakhs on account of ex-Indian States Railways taken over from 1-4-1950.

(o) Includes 3.61 lakhs on account of interest on balance and 36 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(p) Includes 9.41 lakhs on account of ex-Indian States Railways taken over from 1-4-1950.

(q) Includes 3.38 lakhs on account of interest on balance and 37 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(r) Includes 3.23 lakhs on account of interest on balance and 38 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

‡ These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX IX

Revenue Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund dur- ing the year	Closing balance*
1924-25	6,38	(a) 38	6,00	6,00
1925-26	3,79	..	3,79	9,79
1926-27	1,49	..	1,49	11,28
1927-28	4,57	..	4,57	15,85
1928-29	2,58	..	2,58	18,43
1929-30 . . . .	..	2,08	-2,08	16,35
1930-31 . . . .	..	10,93	-10,93	5,43
1931-32 . . . .	..	4,95	-4,95	47
1932-33 . . . .	..	..	..	47
1933-34 . . . .	..	..	..	47
1934-35 . . . .	..	..	..	47
1935-36 . . . .	..	..	..	47
1936-37 . . . .	..	..	..	47
1937-38	(b) 1	..	1	48
1938-39 . . . .	..	..	..	48
1939-40 . . . .	..	..	..	48
1940-41	(c) 6,31	90	5,41	5,89
1941-42 . . . .	..	-90	90	6,79
1942-43	8,86	(d) 6,30	2,56	9,35
1943-44	13,20	..	13,20	22,55
1944-45	17,89	2,96	14,93	37,48
1945-46	6,20	5,55	65	38,13
1946-47	(b) 13	(e) 15,25	-15,12	(f) 23,02

*The closing balances include 47 lakhs from 1925-26 to 1936-37, 48 lakhs from 1937-38 to 1939-40, 43 lakhs from 1940-41 to 1941-42, 83 lakhs from 1942-43 to 1943-44, 90 lakhs in 1944-45, 83 lakhs in 1945-46, 52 lakhs in 1946-47, 26 lakhs from 1947-48 to 1950-51, 28 lakhs in 1951-52, 40 lakhs in 1952-53, 46 lakhs in 1953-54, and 52 lakhs in 1954-55 and 1955-56 on account of investments in shares of and loans to branch line companies.

- (a) Represents amount utilised to write down the difference between the book values and the current market price of stores.
- (b) Includes Rs. 1 lakh profit realised on investment in branch line share cancelled.
- (c) Includes one lakh profit realized on cancellation of investments in branch line shares.
- (d) Transferred to Depreciation Reserve Fund.
- (e) Includes Rs. 12 crores transferred to Betterment Fund.
- (f) Difference of 1 is due to rounding.

APPENDIX IX—*concl.**Revenue Reserve Fund*

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	*Closing balance
1947-48 (1-4-47 to 14-8-47)	..	(g) 13.60	-13.60	9.42
1947-48 (15-8-47 to 31-3-48)	..	(h) 2.58	-2.58	6.84
1948-49	(i) 3	5	-2	6.82
1949-50 . . . .	..	..	..	6.82
1950-51	5.40	-1	5.41	(j) 13.5 †
1951-52	(k) 19.12	-18	19.30	(l) 33.72 ‡
1952-53	(m) 2.26	-4	2.30	(n) 36.05 †
1953-54	(o) 1.13	..	1.13	(n) 37.18 ‡
1954-55 (Revised Estimates)	(p) 119	..	1.19	38.37 †
1955-56 (Budget Estimates)	(q) 8.50	..	8.50	46.87

(g) To meet Railway deficit.

(h) To meet Railway deficit.

(i) Represents profit accrued on account of cancellation of investments in branch line shares.

(j) Includes 1.35 lakhs (Provisional) on account of Indian States Railways, taken over from 1-4-50.

(k) Includes 78 lakhs on account of interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

(l) Includes 2.19 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950.

(m) Includes 1.07 lakhs on account of interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

(n) Includes 2.22 lakhs (Provisional) on account of ex-Indian States Railways, taken over on 1-4-50.

(o) Represents interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

(p) Represents interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

(q) Includes 1.36 lakhs on account of interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

†These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX X

Development Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	Closing balance
1946-47	(a) 15,24	(d) 41	14,83	14,83
1947-48 (1-4-47 to 14-8-47)	(b) 18	(e) 34	-16	14,67
1947-48 (15-8-47 to 31-3-48)	(b) 30	59	-29	14,38
1948-49	(c) 1,27	2,33	-1,06	13,32
1949-50	(b) 43	-5	48	13,80
1950-51	10,52	5,35	5,17	(f) 19,44‡
1951-52	(g) 10,65	7,70	2,95	(h) 22,48‡
1952-53	(i) 12,76	8,10	4,66	(h) 27,14‡
1953-54	(j) 3,29	9,81	-6,52	(h) 20,62‡
1954-55 (Revised Estimates)	(k) 7,14	12,14	-5,00	15,62‡
1955-56 (Budget Estimates)	(l) 31	12,32	-12,01	3,61

(a) This is made up of 12 crores transferred from Railway Reserve Fund, 3 crores from the Railway surplus for 1946-47 and 24 lakhs interest on balance.

(b) Represents only interest on balance.

(c) This includes 43 lakhs on account of interest on balance.

(d) Includes 5 lakhs for B. A. & N. W. Railways.

(e) Includes 5 lakhs for B. A. & N. W. Railways.

(f) Includes 47 (Provisional) lakhs on account of Indian States Railways taken over from 1-4-50.

(g) Includes 65 lakhs on account of interest on balance.

(h) Includes 56 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-50.

(i) Includes 76 lakhs on account of interest on balance.

(j) Includes 73 lakhs on account of interest on balance.

(k) Includes 57 lakhs on account of interest on balance.

(l) Represents only interest on balance.

†These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX XI

LIST OF SURVEYS PROPOSED TO BE UNDERTAKEN DURING 1955-56.

Central Railway.

Bina-Bhopal Doubling.
Engineering Survey.

Delhi-Mathura Doubling
Survey of short length of 44½ miles.

Gwalior-Sheopuri-Guna-Agar-Ujjain
Preliminary Engineering and Traffic Surveys.

Nizamabad-Ramagundam
Final Location Survey and Revision of Traffic Appreciation.

Eastern Railway.

Vizianagaram-Waltair Doubling via Bimlipatam.
Traffic Survey and revision of the previous Engineering Survey.

Rourkela-Nagpur Doubling
Engineering Survey.

Sambalpur-Titilagarh
Traffic Survey and revision of the previous Sambalpur-Kantabanj Engineering Survey.

Rourkela-Talcher
Revision of the previous Preliminary Engineering and Traffic Surveys.

Barkakana-Ranchi-Birmitrapur.
Revision of the Engineering Survey of Tori-Birmitrapur and Preliminary Engineering and Traffic Surveys.

Baraset-Hasnabad
Engineering Survey.

North-Eastern Railway.
Samastipur-Darbhanga Doubling
Engineering Survey.

Eklakhi-Balurghat-Chillanpur-Raiganj
Revision of the previous Preliminary Engineering and Traffic Surveys.

Sitamarhi-Sombarsia
Revision of the previous Preliminary Engineering and Traffic Surveys.

Southern Railway

Gudur-Bitragunta-Bezwada Doubling
Engineering Survey.

Bangalore-Salem

Traffic and Engineering Surveys.

Trivandrum or Tirunelveli-Cape Comorin
Traffic Survey.**Katpadi or Vellore to Kanchipuram**
Engineering and Traffic Surveys.**Western Railway****Godhra-Ratlam Doubling**
Preliminary Engineering Survey.**Chittorgarh-Kotah**

Revision of the previous Preliminary Engineering and Traffic Surveys for M.G. and B.G. lines.

Kotah-Ajmer

Preliminary Engineering and Traffic Surveys.

Udaipur-Himmatnagar

Revision of the previous Preliminary Engineering and Traffic Surveys for M.G. and B.G. connections.

Speech of the Finance Minister on introducing the Budget, 1955-56 on 28th February, 1955

SIR, I present the statement of the estimated receipts and expenditure of the Government of India for the year 1955-56.

2. This year, for the first time, Hon'ble Members will find circulated with the Budget papers Hindi versions of the Budget Speech, the Annual Financial Statement and the Explanatory Memorandum. I am sure the House will welcome this beginning. The Budget documents contain a large number of highly technical terms for which suitable equivalents have yet to be evolved and standardised. Imperfections are inevitable in this first attempt and I trust Hon'ble Members will bear with them.

Review of Economic conditions

3. Economic conditions during 1954 were generally satisfactory. Rainfall was seasonal and adequate in the country as a whole, although in certain parts of the country floods caused extensive damage. There was no other major climatic upset. In the aggregate the outturn of crops was good and the overall stability attained by the economy in 1953 was maintained.

4. The trend of prices for the greater part of the year was one of downward adjustment. The general index of wholesale prices which had stood at 392.6 at the end of December 1953

rose moderately to 404.2 by the middle of April 1954. Thereafter prices fell rather sharply to 378.4 by the end of June and, except for a slight rise up to the end of September, there was a further fall with the harvesting of the Kharif crop, and the index at the end of January 1955 stood at 360.

5. The recent fall in prices has been due largely to a fall in prices of foodgrains, certain raw materials like oil seeds and certain miscellaneous articles like black pepper. The price of rice was about 12 per cent. lower in December 1954 as compared with December 1953 and that of wheat about 16 per cent. lower. Wheat prices had in fact declined by as much as 30 per cent. during the first six months of 1954 and, to safeguard the interests of wheat growers, Government announced a policy of price support at Rs. 10 per maund. Prices of coarse grains have also recorded a sharp decline in recent months and the Government of India have announced, as a measure of relief, the decision to purchase from cultivators jowar and maize at Rs. 5.8-0 per maund and bajra at Rs. 6 per maund at certain specified mandis in areas where prices had fallen below these levels. These measures have on the whole had a reassuring effect.

6. The fall in wholesale prices has, to some extent, been reflected in living costs in various industrial centres. The All-India Working Class cost of living index declined by about 7 per cent. between January and December 1954. Compared with the peak of 111 in July-August 1953, the index at 97 in December 1954 represents a decline of about 13 per cent. In several centres, specially in the eastern parts of the country, the fall has been larger. I may add that most of the existing cost of living indices are based either on pre-war weights or 1944 weights and the question of bringing these indices on to a more recent base and of improving the available series is under examination.

7. Agricultural production in the country during the year drawing to a close was generally satisfactory. Good and seasonal monsoons in 1953-54 had resulted in a marked improvement in the agricultural production which stood about 18 per cent. higher than in 1950-51. The production of food grains in 1953-54, which amounted to 66 million tons, exceeded the Five Year Plan target by about 4.4 million tons; and that of oil seeds, at 5.6 million tons, by about one lakh tons. The production of cotton amounted to 3.9 million bales and very nearly reached the Five Year Plan target. Production of jute,

on the other hand, has shown some wide fluctuations in recent years, corresponding to the violent fluctuations in the prices of jute, and now stands at about 4·5 per cent. lower than the figure recorded for the year 1950-51. While a part of these recent gains in agricultural production is no doubt due to favourable weather conditions obtaining during two successive years, a significant part must be regarded as a permanent addition to our agricultural production obtained through a number of measures like extension of irrigation facilities, increased use of fertilisers and the introduction of improved seeds and techniques whose benefits are spreading to larger and larger areas.

8. The increased production of food grains made it possible for the Government to further relax controls over the movement and distribution of foodgrains. With the lifting of restrictions in respect of rice in July 1954, the controls on food distribution have been practically dispensed with altogether. Only in regard to wheat there remain some restrictions on inter-zonal movement, which have been retained to make the best use of the stocks available with the Government.

9. The year 1954 closed with a comfortable stock of more than 1·5 million tons of foodgrains with the Central and State Governments. Due to the increase in the internal production of foodgrains, it has been possible to reduce the import of foodgrains to only about 8 million tons in 1954 as against 4·7 million tons in 1953 to 4·36 million tons in 1954. In Jute, the production in 1953 was 1,300 million yards. Further imports, which will not be large, will now be for purposes of strengthening our reserves. Indeed, we are now in a position to export a limited quantity of rice to recapture our traditional markets for the finer qualities.

10. Industrial production during the year also increased over a wide field. Cloth production rose from 4,900 million yards in 1953 to 5,000 million yards in 1954. The production of yarn also increased during the year, the consumption of yarn by the handloom industry reaching a figure of 78,000 bales during the first 10 months of the year compared with 73,000 bales for the whole of 1953. With increased supply of yarn and other forms of assistance given to the handloom industry, the production of handloom cloth increased by 100 million yards over the figure of 1,300 million yards in the previous year. Cement production increased from 3·78 million tons in 1951, 3·9 million tons in 1952 and 2 million tons in 1953. The members of the Indian Jute Mills' Association, which

covers nearly 95 per cent. of the industry, who had had to reduce their working hours in the past, found it possible to increase their working hours from $42\frac{1}{2}$ hours to 45 hours a week from July 1954 and to 48 hours a week from October 1954. Production of finished steel reached an all time high of 1.23 million tons in 1954, which was nearly 2 lakh tons more than in 1953. Production of coal in 1954 was nearly one million tons more than in 1953. The only major industry to show a decline in production was the sugar industry in which, owing to adverse seasonal conditions and other special causes, there was a drop of about 2 lakh tons.

11. The tempo of industrial development has also been encouraging. During the year 110 licences were granted for the establishment of new industrial undertakings and 226 licences for existing undertakings to expand their units. Several new lines of production were first established in the country such as all-gear head lathes— $12\frac{1}{2}$ ", motorised bench grinders, roller bearings, large size pumps, fuel injection equipment, staple fibre and chloromycetin. Two important steps were taken during the year with the object of assisting rapid industrialisation. The first was the setting up of the Government owned National Industrial Development Corporation. The Corporation is conceived mainly as an instrument for securing a harmonious development of industries in both the public and private sectors. The Corporation will not undertake financing of industries except in so far as it is incidental to the development of industries. The second was the flotation, with the co-operation and assistance of Government and the good offices of the International Bank for Reconstruction and Development, of the Industrial Credit and Investment Corporation of India, a private institution with a capital of Rs. 5 crores subscribed by the investors in India, the U.K. and the U.S.A. This Corporation to which Government will give an interest-free loan of Rs. $7\frac{1}{2}$ crores and the I.B.R.D. a loan of \$ 10 million will assist the development of industries in the private sector.

12. Small scale and cottage industries continued to receive special attention during the past year. On the recommendations of a team of Experts sponsored by the Ford Foundation, the Government of India have set up four regional institutes of technology for small industries, a Marketing Service Corporation and a Small Industries Corporation which would assist small scale industries in various directions. A Small Scale Industries Board has also been set up to co-ordinate the activities of these institutions and to carry out a programme of

development. The development of Khadi and village industries and of handicrafts has been given systematic assistance through the All-India Khadi and Village Industries Board and the All-India Handicrafts Board.

13. State Industrial enterprises also had a satisfactory year. The Sindri Fertilizer Factory has reached its rated output capacity. Other industrial undertakings like Chittaranjan and the Indian Telephones have also recorded marked improvement. The Hindustan Cable Factory has recently been inaugurated; the Machine Tool Factory has started token production and the Penicillin and D.D.T. factories are due to start production soon. Preliminary work on the new steel undertaking at Rourkela is well in hand and, as the House is aware, an agreement has recently been signed with the U.S.S.R. for the installation of an additional steel plant with a capacity of 750,000 tons of finished steel. Proposals for the setting up of additional units for steel and fertiliser production and schemes for producing heavy electrical plant and synthetic oil from coal are under consideration.

14. Although satisfactory progress has been recorded in the field of production, and expanding production has, to some extent, meant increased employment, the employment situation continues to be a matter of some anxiety. We are not in a position yet to state in precise terms what the magnitude of the problem is. The definition and measurement of unemployment and under-employment in under-developed countries presents special problems. These are being considered by our technical experts, and we expect to get a steadily improving flow of information on the amount, incidence and causation of unemployment. The number of unemployed persons registered with the Employment Exchanges has risen continuously from about 522,000 in December 1953 to 581,000 in November 1954, reflecting partly the increase in population, but this again gives only a partial picture. It will be some time before we can put together the data now being collected from various surveys and enquiries. The problem of securing full employment in a vast country with a steadily growing population does not admit of a quick and easy solution. It is only by accelerating development on the widest possible front, covering both the urban and rural sectors and with a diversified and, wherever possible, decentralised pattern of production that employment opportunity on a scale commensurate with the needs of the population can be procured. I have no doubt that the next Five Year Plan will pay due regard to this very important aspect of the country's economic development.

15. There was a substantial increase in money supply during the year to meet the needs of increasing production and growing economic activity. The note circulation increased by Rs. 75 crores and demand liabilities of Scheduled Banks by about Rs. 55 crores. The increased money supply has been due, almost entirely, to expansionary factors within the country, the external payments position being more or less in balance.

16. There have been distinct signs of a revival of investor confidence and the capital market has reacted well to the general improvement in the country's economy. The response to both Government and private borrowing in 1954 was heartening, especially in comparison with the previous two years. Monetary policy and the structure of interest rates, save for a slight rise in short term rates, remained unchanged during the year.

Balance of Payments

17. The country's balance of payments position showed a surplus of Rs. 11 crores during the first two quarters of 1954. The third quarter of the year showed a deficit of Rs. 15 crores. In the last quarter, figures for which are not yet available, it is expected that there will be a small surplus. There was an increase in imports during the year, particularly of industrial raw materials, and sugar imports have also been larger due to decline in indigenous production and increase in consumption. As a result, although our exports also increased, mainly through increased external demand for our major exports, jute and tea, and for the first time since 1951-52 our export prices were better in relation to import prices, there was a sizeable deficit in trade account during the second half of 1954. Taking the year as a whole, however, I expect that we shall be, more or less, in balance in our external transactions as against a surplus of Rs. 55 crores in 1953. This is roughly indicated by the movement in the level of our sterling balances which rose by about Rs. 4 crores during the year from Rs. 727 crores on 1st January to Rs. 731 crores on 31st December 1954.

18. Although the balance of payments position has so far been satisfactory, the increase in imports, which would become necessary with increased investment expenditure, would place considerable strain on the payments position in the future. It is, therefore, necessary to increase foreign exchange earnings through increased exports and considerable attention is being paid to export promotion. Export duties

and quotas are adjusted from time to time to enable the country to maintain and develop its exports markets and strengthen its competitive position in the world markets. Thus export duties on a number of items, like manganese, black pepper, mustard oil, groundnut oil, linseed oil, castor oil and raw cotton have been either abolished or reduced. Export Promotion Councils have been set up during the year for cotton textiles, silk and rayon, and rules have been made for giving drawback of import duty on raw materials and components utilised in the manufacture of several articles that are exported, as for example, linoleum, artificial fabrics etc.

Dollar Position

19. The improvement in our dollar position has continued, although the net surplus with the dollar area in 1954 is expected to be smaller than in 1953. In the first half of 1954, excluding the official assistance received from the dollar area, the net surplus on Current Account with the dollar area was Rs. 7 crores as against Rs. 13 crores in 1953. While Government imports during the first half of 1954 were lower by more than 66 per cent. as compared to the previous half year owing to reduced purchases of food-grains, commercial imports, especially of raw cotton, offset the decline in imports on Government Account. There was also some decline in exports of metallic and non-metallic ores.

20. During 1954 for which only preliminary figures are available, we drew \$ 12 million from the Sterling Area's reserves for meeting our obligations in the dollar area. The corresponding figure for 1953 was a surplus of \$ 15 million. This was due to the fact that we made during 1954 a special payment of \$ 47 million to the International Monetary Fund to repurchase a part of our currency from that Organisation. Hon'ble Members will remember that in my budget speech last February I mentioned Government's intention to repurchase from the Fund the equivalent of \$ 72 million out of the total of \$ 100 million we had purchased from it in 1948. We expect to make a further payment of \$ 25 million next month, leaving an outstanding balance of about \$ 28 million; which will not involve the payment of any interest charges.

21. India has continued to receive assistance from friendly countries towards her development schemes. For the current year a sum of \$ 60.5 million was authorised by the United States Government as development assistance to India. About 50 per cent. of this assistance is being utilised

in obtaining agricultural commodities like wheat and cotton. Out of this sum of \$ 60·5 million, the Government of India have agreed that a sum of \$. 45 million or its rupee equivalent should be a loan. The Government of Canada have again offered to provide a further sum of the order of \$ 13 million, the Government of Australia a sum of £ 2·5 million and the Government of New Zealand a further sum of £250,000. The Ford Foundation, which has been providing assistance for programmes of development, particularly in the field of training, made available an additional sum of \$ 1·1 million. Under the Colombo Plan, we are also providing assistance to neighbouring countries. In the Budget for the next year, the total sum to be received by us by way of external assistance under the Colombo Plan and from friendly countries is expected to amount to Rs. 74 crores, while we shall be spending on the provision of such aid to other countries approximately Rs. 2 crores. I take this opportunity of expressing our appreciation of the active and helpful interest our friends continue to take in our economic development.

22. During the current year, India obtained two more loans from the International Bank for Reconstruction and Development; a loan of \$ 16·2 million to Tatas for their Thermal Power Project at Trombay, and another of \$ 10 million to the recently established Industrial Credit and Investment Corporation of India. This brings the total of loans from the Bank to India to \$ 126·7 million. Both the loans being for private bodies, the Government of India has guaranteed them as usual.

23. I should like to mention at this stage the steps taken by the Government of the United Kingdom towards convertibility of sterling. The Pound has been disengumbered of a mass of short term financial obligations by reducing the U.K. debts to other members of the European Payments Union, and by the repayment of the outstanding borrowings to the International Monetary Fund. A number of steps have also been taken to simplify the Exchange Control operations through the widening of the automatic transferability and usability of sterling held by non-residents, and a significant step towards limited convertibility was taken by the reopening of a number of commodity markets. These steps are of advantage to the entire sterling area and reflect the growing strength of sterling to which all sterling area countries have contributed. India has also liberalised its exchange restrictions and some steps have been taken towards relaxation of exchange facilities.

We must not forget, however, that our foreign exchange expenditures are bound to grow rapidly as development programmes are accelerated, and we must spare no efforts to conserve our foreign exchange reserves and to secure an improvement in our export earnings. I should like to take this occasion to remind the House that since the end of March 1951, until the close of 1954, that is, roughly in four years of the Plan, our sterling balances declined by Rs. 153 crores. By the end of March 1955 we would have received external assistance in the form of outright grants of about Rs. 56 crores and in the form of loans of nearly Rs. 100 crores. As I mentioned earlier, though our present balance of payments position is satisfactory, it would, in my judgment, be wrong to infer that the long term outlook is any other than one of continued relative shortage of foreign exchange.

24. All in all, 1954 may, in a sense, be regarded as the end of the post war period of transition. The substantial increase in food production, the improvement in the supply position in other directions and the disappearance of inflationary conditions represent the end of war time stresses and strains. The process of decontrol which commenced in 1952 was more or less completed in 1954, and free interplay of market demand and supply forces was resumed over a wide field. From now on, unless a very marked deterioration takes place in the international situation or a natural calamity like the failure or maldistribution of the monsoon occurs in a big way, the determining factor in the economic situation, we may hope, will be the rate of planned economic development in the country.

Financial Year 1954-55

25. I shall now deal with the Revised Estimates for the current year and the Budget Estimates for the coming year.

26. The Budget for the current year provided for a revenue of Rs. 451.73 crores and expenditure of Rs. 467.09 crores, leaving a deficit on Revenue Account of Rs. 15.36 crores. I now expect that the revenue deficit will amount to Rs. 5 crores only. The improvement is the result of a saving in expenditure of Rs. 11.01 crores offset by a small fall in revenue of Rs. 65 lakhs.

27. The Revenue from Customs is now put at Rs. 180 crores against Rs. 175 crores taken in the original budget.

During the year, a number of Export Duties were, as I stated earlier, abolished or reduced in the interests of our export trade but the resultant fall in revenue was more than offset by the increase from the enhancement of the Export Duty on tea which is expected to bring in an additional revenue of Rs. 6·6 crores this year. Larger imports of sugar, necessitated by the decline in indigenous production, also resulted in increased revenue to the extent of about Rs. 10 crores. Against these increases the Revenue under Customs will lose this year about Rs. 6 crores owing to the gradual replacement of imports of motor spirit, kerosene and lubricants by indigenous production of oil refineries in India, one of which went into production this year. The revenue from Union Excise Duties is now estimated at Rs. 103·65 crores, about the same figure as in the original budget, the additional revenue from increased production of petroleum and kerosene being neutralised by a fall of Rs. 3½ crores in revenue from sugar and an almost equal fall in revenue from tobacco. The fall under sugar is due to the decline in production during 1954; that under tobacco to the concessions in duty given during the year as a measure of relief in view of the large accumulations of stocks with growers and traders and the resultant fall in prices. The revenue from new excises introduced during the last Budget has been, more or less, according to expectation. The total collections from these new excises are now estimated at Rs. 4·75 crores against Rs. 4·2 crores assumed in the budget. Revenue from income-tax has been taken at Rs. 165 crores which is the same as the budget figure. The credit of Rs. 9 crores which I had taken in the Budget from repayment of partition debt by Pakistan has, however, not materialised so far, as, contrary to the hope which I had expressed in my Budget Speech last year, it has not yet been possible, for a variety of reasons, to reach a settlement with Pakistan over the outstanding financial issues between the two countries. Further negotiations are, as the House is aware, to take place in the near future and I hope that these will result in a satisfactory settlement on these vexed issues. The estimate of Rs. 4 crores from Estate Duty taken in the original budget has proved optimistic and I now expect only Rs. 1·26 crores from this source during the current year. The Estate Duty proceeds go, however, almost entirely to the States and the reduction does not affect the Central Budget. I may mention that the distribution of the Estate Duty proceeds among the States has, under Article 269 of the Constitution, to be made in accordance with such principles of distribution as may be formulated by Parliament by law. We have been considering the question of formulating the principles of distribution, but with the very limited experience of the working of the

Estate Duty Act and the lack of basic data, such as sources and area of collection, essential to the framing of a scheme of distribution, it has not been possible to do so. We have, therefore, come to the conclusion that the next Finance Commission should be asked to advise on this issue and that, in the meanwhile, a provisional distribution should be made on the same basis as the States' share of income-tax. This provisional distribution will be subject to revision by the next Finance Commission; and, as the collections of duty are not likely to be large for some time, this will not make for any significant difference to the finances of individual States. Other miscellaneous heads of revenue show an improvement of about Rs. 3 crores.

28. Expenditure this year is now estimated at Rs. 456.08 crores of which Civil Expenditure will amount to Rs. 258.06 crores, a saving of Rs. 3.41 crores in the original budget and Defence Services to Rs. 198.02 crores, a saving of Rs. 7.6 crores in the original budget.

29. The saving in Civil Expenditure is the net result of a number of variations of which I need mention only the more significant ones. Consequent on the fall in revenue from the Excise Duty on tobacco mentioned earlier, the share of Union Excise Duties payable to States, payment of which is treated as expenditure, will decrease by Rs. 1.18 crores. Payments to States against the provision of Rs. 8.13 crores for educational schemes are now expected to amount to Rs. 6 crores only owing to the slower progress of expenditure in some States. Similar savings amounting to Rs. 4.49 crores are expected in grants to States towards Community Development Projects and National Extension Service. On the other hand, grants to States for flood and famine relief have increased from Rs. 2 crores in the original budget to Rs. 6 crores, expenditure on displaced persons by Rs. 80 lakhs, while expenditure of the Pondicherry State accounts for an addition of Rs. 76 lakhs to the Central Budget.

30. The saving in expenditure on Defence Services is mainly due to the fact that procurement of stores was less than anticipated at the time the budget was framed. There has also been a reduction in demands as a result of economies.

Financial Year 1955-56

31. For the next year, Revenue, on the basis of existing taxation, is estimated at Rs. 468.76 crores and Expenditure at Rs. 498.93 crores, leaving a deficit of Rs. 30.17 crores.

32. The Revenue from Customs in the coming year has been placed at Rs. 165 crores against the current year's Revised Estimate of Rs. 180 crores. The recent enhancement of the Export Duty on tea will bring an additional revenue of Rs. 11 crores over the current year's yield. Imports of motor spirit, kerosene and lubricants will, however, decrease to almost a quarter of the present level as a result of the second oil refinery at Bombay also coming into full production. In consequence there will be a drop of about Rs. 20 crores under this Head as compared with the collections of the current year but a substantial part of this revenue will be realised through excises. Imports of sugar are also expected to be less than in the current year. In the result, the Customs Revenue will show a net drop of Rs. 15 crores next year. The revenue from Excise Duty is put at Rs. 123.45 crores next year as compared with the current year's Revised Estimate of Rs. 103.65 crores. The increase is largely accounted for by revenue from the excises on kerosene and petrol following larger internal production; the collections of Tobacco Excise are also expected to improve by Rs. 3.3 crores, and, following better production, the collections from sugar by Rs. 1.5 crores. Under income-tax the current year's figure of Rs. 165 crores is being repeated for next year. Collections recently have been somewhat lower than expected due to the progressive clearance of arrears but I hope that improvement in normal collections will make up for this deficiency. Revenue from Estate Duty is estimated at Rs. 3 crores next year but, as I have already pointed out, this goes almost wholly to the States. Under Currency and Mint, profits of the Reserve Bank payable to Government are expected to be Rs. 20 crores next year against Rs. 17.5 crores this year, owing to the increased yield on Treasury Bills held by the Issue Department. I am also taking a credit of Rs. 8 crores from profits from the sale of sugar imported on Government account. On the other hand, I am not taking any credit for repayment of partition debt by Pakistan in view of what has happened in the last two years. If, as I hope, a settlement is reached in the coming year, I shall take the credit into account in my revised estimates.

33. The Expenditure next year is being placed at Rs. 408.93 crores, Rs. 202.68 crores under Defence Services and Rs. 206.25 crores under Civil Heads.

34. The Estimates for Defence Services show an increase of Rs. 4.66 crores over the Revised Estimates for the current year. This increase is mainly due to the normal expansion

programme of the Navy and Air Force but partly to the promulgation of the New Pension Code and the grant of certain pensionary benefits to personnel recruited initially on a short term engagement but kept on for longer periods. The Army budget actually shows a decrease of about Rs. 1 crore in spite of the inclusion of substantial amounts for certain modernisation measures. This has been rendered possible by economies in other directions. While in present conditions it is not realistic to expect any reduction in the strengths of the Defence Forces, we are trying to effect as many economies as possible by better conservation and utilisation of staff, reduction in scales of consumption and avoidance of wastes. The drive for economy has been and is being pursued with vigour and I know receives constant attention from my colleagues in the Defence Ministry.

35. Considerable progress has also been made in the production, in India, of stores required by the Defence Services. As the House is aware, a Committee was appointed last year under the Chairmanship of Sardar Baldev Singh to examine the present organisation, procedure and methods of production in our Ordnance Factories with a view to expanding their activities and ensuring their economical administration. The Committee recently submitted their report, which is under the examination of Government. A factory for the manufacture of electronic equipment is being set up. Plans are under consideration for undertaking the manufacture of certain other types of stores in India, the aim being to achieve self-sufficiency in as wide a field as possible.

36. Before I deal with the Estimates of the Civil Expenditure, I may mention that we are making a beginning on the 1st April 1955 with the separation of Audit from Accounts, on which the Public Accounts Committee have rightly been laying stress. As I stated during the budget discussions last year, there is no difference of opinion about the need for separation, but such a fundamental change in a long and well established system which affects both the Centre and the States can be brought about only by stages to avoid dislocation of administration. The Finance Ministry have been in close consultation with the Comptroller and Auditor General and it has now been decided, as a first step, to introduce the reform in respect of the transactions relating to Supply, Food and Rehabilitation with effect from the 1st April 1955. Accordingly, Departmental Accounts Offices are being constituted in the respective Ministries. To begin with, the extra staff will be provided for these offices from the Indian Audit Department

and the scheme will be implemented in close and continuous consultation with the Comptroller and Auditor General. The Comptroller and Auditor General has been in correspondence with the States also for a similar change to be made in the maintenance of the Accounts relating to the States and it is hoped that it will be possible to make a beginning during the next financial year in some of the States as well.

37. Civil Expenditure next year shows an increase of Rs. 38·19 crores. The bulk of the increase represents larger allotments for development expenditure, which is inevitable in the final year of the Plan. As usual, full particulars of the individual variations are given in the Explanatory Memorandum. I will mention here only the more important ones.

38. The total expenditure on Nation Building and Development Services amounts to Rs. 75·3 crores against Rs. 50·69 crores in the current year. Allowing for a transfer of about Rs. 4·6 crores from other heads, the net increase here comes to Rs. 20·01 crores. Thus the Budget for Education increases by Rs. 7·3 crores to Rs. 18·31 crores which includes provision of Rs. 10 crores for grants to States for Basic, Social and Secondary Education, Rs. 3·5 crores for the University Grants Commission and Rs. 1·29 crores for scholarships to students of Scheduled Castes, Scheduled Tribes and other Backward classes. Expenditure on Scientific Departments and research schemes increases by Rs. 2·01 crores; Medical and Public Health Services account for an increase of Rs. 1·96 crores; and development of village and small scale industries will cost an additional Rs. 2·23 crores. For development of Khadi and Handloom industries, a total provision of Rs. 4·25 crores has been made which will be met from the fund created out of the special cess on mill-made cloth. In addition to the increase of Rs. 20·01 crores under Nation Building and Development Services, mentioned above, there is an increase of Rs. 4·44 crores in expenditure on Community Development Projects and National Extension Services; an increase of Rs. 2·41 crores in grants to Part C States with their own legislatures for financing their development schemes; an increase of Rs. 81 lakhs in grants for the development of Scheduled Tribes and Scheduled Areas; an increase of Rs. 50 lakhs in grants to States for the development of primary education under the Finance Commission's award and an increase of Rs. 1·1 crores in grants for social welfare and welfare of backward classes. The total additional provision

for Development Services next year thus aggregates about Rs. 29·27 crores.

39. Of the rest of the increase in Civil Expenditure, a sum of Rs. 3 crores represents the first instalment of the write off of the trading losses expected on the disposal of the existing rice stocks. As I stated earlier, Government will be having a stock of about 1·5 million tons of foodgrains, mostly rice, representing partly stocks taken over from the States following decontrol last July and partly imports from Burma under the agreement with the Burma Government. In view of the recent fall in prices, the disposal of this stock, which will take two or three years to effect, is likely to result in substantial losses, which at present prices may be of the order of Rs. 45 crores, although it is not possible to estimate their extent accurately. These losses differ from the food subsidies given in the post-war years which were a part of price control and rationing. They are straight trading losses arising from the peculiar conditions of the current year when, with a good crop and because of decontrol, we are having to carry large stocks liable to early deterioration in storage. With an improvement in food position, large losses of this nature are not likely in future. It will completely distort the Revenue Budget if all the losses are taken to Revenue as they arise. I consider it both desirable and necessary to spread them over Revenue over a reasonable period. Pending the emergence of the final figure of the loss, I have made an *ad hoc* provision of Rs. 3 crores in the Revenue Budget for meeting the losses. A provision of Rs. 1·34 crores has also been made, in accordance with the arrangement I explained last year, for the first instalment of the write back to Revenue of certain expenditure initially taken to Capital. The total expenditure this year on the four items covered by that arrangement, namely, Grants for Industrial Housing, Grants for Local Works, Grants under the Gadgil Committee Report, and compensation to displaced persons met by Government, is expected to amount to Rs. 19·36 crores, which will have to be written back to Revenue over 15 years commencing with next year. In addition, we have, in consultation with the Comptroller and Auditor General, decided to treat in the same manner grants to States for the Rural Water Supply and Sanitation Schemes which are of the same nature. These schemes have been started this year and the expenditure in the first year is estimated at Rs. 81 lakhs. All this expenditure is to be written back to Revenue over a period of 15 years and the debit to Revenue next year will, as stated above, amount to Rs. 1·34 crores. Among the other increases are Rs. 1·55 crores for payments to States of their share of Union Excise Duties consequential to the increase in Revenue from Tobacco Excise adopted for next year, Rs. 1·46 crores for Expansion of Administrative

and Development Services in the North East Frontier and Rs. 1.27 crores for Civil Works.

Capital Expenditure

40. For Capital Outlay the current year's budget provided for an expenditure of Rs. 145.75 crores. The expenditure is now estimated at Rs. 178.54 crores. The increase is accounted for by a worsening of Rs. 61.59 crores under Government Trading Schemes largely due to purchase of rice stocks from the State Governments, offset by saving of Rs. 28.80 crores in other items. A provision of Rs. 10 crores was made in the budget for possible purchase of shares in the Hindustan Steel Ltd., but this provision will now remain unutilised during this year. There is a saving of about Rs. 7 crores under Civil Works mainly due to slower progress in the construction of buildings and roads. For similar reasons, there is a saving of Rs. 4 crores in the Grants for Industrial Housing and of about Rs. 4.7 crores in Defence Capital Outlay.

41. For next year, Capital Expenditure is estimated at Rs. 223.3 crores including Rs. 20 crores for Government Trading Schemes mostly for our normal imports of wheat for the Central Reserve. As I remarked earlier, outlay in the final year of the Plan will inevitably increase.

42. For Railways a provision of Rs. 66 crores has been made against the current year's expenditure of Rs. 32½ crores. The Five Year Plan for Railways provided for an expenditure of Rs. 400 crores during the Plan period, of which Railways were to find Rs. 320 crores from their own resources. While the total outlay during the quinquennium will be only slightly over the original Plan, there has been a shortfall during the period in the resources raised by the Railways themselves. This explains the larger allotment for Railways next year. Compensation to displaced persons in the form of cash and transfer of Government property and write off of loans is estimated at Rs. 31 crores of which about Rs. 9½ crores will be made from sale proceeds of evacuee property, that is, a net figure of about Rs. 21 crores against the current year's net outlay of Rs. 7½ crores. A provision of Rs. 5 crores has been met for investment in the Hindustan Steel Ltd. in addition to a loan of an equivalent amount. A sum of Rs. 7.7 crores will be payable to the Reserve Bank of India next year in lieu of Hyderabad securities forming part of the assets against Hyderabad note issue which has been taken over by the Bank. As part of the

settlement for the allocation of assets and liabilities of the Hyderabad State, following its financial integration, it has been decided that this liability for Hyderabad securities which were created *ad hoc* by the State Government before integration for expansion of its currency will be taken over by the Government of India. Provision for Civil Works amounts to Rs. 32 crores against Rs. 24 crores this year, after excluding the adjustment in respect of Government property transferred to displaced persons as part of the compensation scheme. Capital Outlay on Defence, next year is estimated at Rs. 22·38 crores against Rs. 13·09 crores, the increase being due partly to the carry-forward from the current year and partly to the normal expansion programme.

43. In addition to the provision for Capital Outlay just mentioned, the estimates include, against the original provision of Rs. 249 crores, Rs. 306 crores this year and Rs. 355 crores next year for loans to State Governments and others mostly for their development projects. Details of these loans are given in the Explanatory Memorandum.

Ways and Means

44. The current year's budget provided for an overall deficit of Rs. 239 crores to be met by expansion of Treasury Bills. On the basis of the Revised Estimates, the overall deficit will amount to Rs. 208 crores. As the opening balance was about Rs. 12 crores less than the minimum of Rs. 50 crores which it is necessary to maintain, the expansion of Treasury Bills will, therefore, amount to Rs. 220 crores.

45. During the year Government floated the $3\frac{1}{2}$ per cent. National Plan Loan, 1964. The response to this Loan, which was a combined loan to cover the needs of both the Central Government and the States, was satisfactory and subscriptions amounted to Rs. 158 crores out of which Rs. $25\frac{1}{2}$ crores were lent to the States which would otherwise have approached the market independently for their loans. The Small Savings Scheme has also been making notable progress. Appointment of Agents under the General Authorised Agency System has been proceeding steadily. With the co-operation of the State Governments, steps are being taken to intensify the movement in rural areas. Panchayats and other Agencies, such as Union Board Presidents in West Bengal, have already been appointed for

the sale of certificates in a number of States, and extension of such Rural Agency System to other States also is in hand. The Women's Savings Campaign under the Central Advisory Committee, which has recently been expanded, has also been making valuable contribution to the movement not only in actual collections but in spreading its message. Over 100 voluntary social and women's organisations have already been appointed agents for the sale of certificates and over Rs. one crore have been collected under the Campaign. During the year, Government made two additions to the investments available under the scheme. The first was the 10-Year National Plan Certificates. These certificates are intended for the small saver, particularly in rural areas, and give higher yield than the National Savings Certificates. Although issued originally as a supplement to the National Plan Loan, their sale has been continued. The second addition was the 15-Year Annuity Certificates which are intended to meet the need of those who wish to provide for themselves and their dependents a regular monthly payment from a lump sum investment. As a result of all these efforts, we are likely, for the first time, to exceed the annual target of Rs. 45 crores which was set some years ago for collections from Small Savings. While this is heartening, I must appeal for still greater effort and for whole hearted co-operation on the part of every one in spreading the movement and making, through it, a massive contribution towards the country's development and prosperity. Mobilisation of small savings, necessary at all times to the country's economy, has now assumed added importance for the fulfilment of the development plans which will need increasingly larger resources.

46. The improvement in loan receipts and small savings was, however, partly offset by increases in capital expenditure and in loans by the Central Government and also by a drop of Rs. 23 crores in foreign aid expected during the year, the last representing a carry over to the next year.

47. The overall deficit next year is estimated at about Rs. 340 crores. This follows the larger provision for development expenditure in the Revenue and Capital Budgets. During the coming year one loan, the 2½ per cent. Loan 1955, with an outstanding balance of Rs. 60 crores, falls due for repayment, while Government have the option to repay another, the 4½ per cent. Loan 1955—60, with an outstanding balance of Rs. 9 crores. It has been assumed that both these loans will be discharged next year. Credit has been taken for a new market loan of Rs. 125 crores. Small Savings next year may amount to

Rs. 52 crores and foreign aid to Rs. 74 crores. Allowing for other miscellaneous transactions under Debt and Remittance Heads it will be necessary to expand Treasury Bills by Rs. 340 crores to cover the overall deficit.

48. I might summarise the ways and means position for the coming year. Government need Rs. 39 crores for meeting the Revenue deficit, Rs. 578 crores for financing Capital Outlay and loan requirements of State Governments and others, and Rs. 69 crores for the repayment of the maturing debt. Against this, they hope to raise Rs. 125 crores from the market loan, and Rs. 52 crores from Small Savings. Foreign aid expected next year amounts to Rs. 74 crores, and other miscellaneous debt and remittance transactions may bring in Rs. 86 crores. This will leave a gap of about Rs. 340 crores in the available resources to balance the budget. As the cash balance will have no margin left to be drawn upon, the whole of this gap will have to be met by issue of Treasury Bills.

49. The sizeable budgetary deficit in the current year and in the next must be viewed in the context of our developmental needs and the various economic indicators like production, prices, employment and foreign exchange. All these, I think, suggest that we can and should go ahead more boldly. The production potential of the economy is steadily increasing as a result of the Plan, and considering the present price and employment situation, I am confident that while no effort should be spared in maximising our resources, budgetary deficits of this order carry no threat of serious inflationary pressures. Nevertheless, the House may rest assured that the situation will be watched constantly and carefully, and while Government will take the risk necessarily attaching to any significant development effort, it will be a calculated risk combined with caution.

50. I now turn to the budget proposals for the coming year.

51. I mentioned earlier that the deficit on revenue account in the coming year was estimated at Rs. 30·17 crores and the overall deficit at Rs. 340 crores. The problem before me is how much of this deficit should be covered by additional taxation.

52. The deficit on revenue account is largely due to increased expenditure on what I would broadly describe as on current account. It is, I think, a prudent principle to meet as much of the current expenditure as possible from current taxation. Other considerations, to which I shall refer later, also indicate the need for increased taxation. Out of the deficit on revenue account, I propose to meet the major portion

by fresh and additional taxation. Even with this the uncovered overall deficit would remain substantial but, as I stated earlier in my speech, in the present economic climate, a deficit of that order is, in my opinion, both safe and justified.

53. Hon'ble Members may ask why, if a sizeable overall deficit was justified by the needs of the Plan and by the present economic conditions, the whole of the deficit should not be left uncovered. The fact that the various economic indicators suggest that deficit financing could be resorted to without undue risk does not mean that the attempt to mobilise domestic resources to the maximum extent should be given up and prudent finance replaced by the printing press. While deficit financing would be used as an instrument for securing the maximum development without injury to the stability of the economy, the public must be prepared to make the maximum contribution to current revenues. In fixing the level of taxation, all relevant considerations such as the effect of the various increases on the economy, saving, investment and production will, obviously, be taken into account.

Taxation Enquiry Commission.

54. Before I go on to deal with the detailed proposals, I should like to make a brief reference to the report of the Taxation Enquiry Commission. As Hon'ble Members are aware, the Commission were appointed early in 1953. They completed their work towards the end of last year and their report reached Government early last December. It is a massive and historic document covering the entire field of taxation—Central, State and Local—and the recommendations cover a very extensive field. The report has just been printed up and copies, together with a summary, are being made available to Hon'ble Members along with the budget papers. Simultaneously, it is also being released to the public. I am sure the House will join me in paying a tribute to the Chairman and Members of the Commission for the magnificent work done by them. The report of the Commission bears the impress of a thorough and careful study of the problems in all their aspects and the labour involved must have been stupendous. I am grateful to the Commission for having submitted the report in time to enable me to take into account the broad framework of their proposals for my present purposes.

55. I said just now that the report was massive and historic. A report like this requires very careful study and examination for which, as the House will appreciate there has

not been much time. Indeed, as the printing has only been just completed, there has not been time even to make it available to the State Governments. All that we have been able to do is to make a preliminary study of it for our own guidance in the context of the budget that was immediately ahead and to circulate confidentially to the State Governments a summary of the recommendations in the fields of State and Local taxation to enable them to take these into account in framing their own budgets. Now that the report has been printed and published, it will be possible to take in hand the detailed consideration of all the recommendations, both at the Centre and in the States.

56. The House will appreciate that in the limited time available to me it will not be possible to summarise the Commission's recommendations in the field of Central taxation. Indeed, any such attempt, even if it were possible, would not be fair to the report as the background against which these recommendations have been made will not be clear. Broadly speaking, however, the recommendations are in the direction of widening the base and range of taxation, both direct and indirect, and involve readjustment of the rate structure.

57. The recommendations of the Commission cover the basis and procedure and the rates and rate structure of Central taxation. Insofar as the basis and procedure of taxation are concerned, effect can be given only by changing the law. As my detailed proposals will indicate, I am implementing a number of the recommendations immediately. The House will appreciate, however, there are several limitations to my giving effect to all the recommendations of the Commission in the present budget. Firstly, in the case of many of these recommendations detailed study and further thought are necessary before we can take decisions. It has not been possible within the short time at my disposal to complete this process. Secondly, there is the very important problem of gearing the administration to take on the new and additional responsibilities. And finally, procedural changes which do not impinge directly on the tax liability are appropriately left out of the Finance Bill to be implemented through amending bills to the various Acts. I hope the House will agree that, in spite of these limitations, the number of recommendations being given effect to is not inconsiderable and it may have my assurance that the remaining proposals will be examined by Government and amending bills placed before the House as early as possible.

58. Coming now to the rates of taxation, one has to bear in mind that the rates suggested or implied by the Commission are more an indication of the possibilities in these directions than in the nature of actual budget proposals. The House will remember that the first Taxation Enquiry Committee was appointed some thirty years ago and, in a sense, that Committee's recommendations affected the taxation policy of a generation, although the events of that generation were crowded by many constitutional and other changes. Similarly, the present Commission's report will deeply colour and affect taxation policy for some time to come. The lines of future policy have been indicated by the Commission but the steps that we take each year or from time to time must necessarily be considered in the light of economic and budgetary considerations of the time.

Changes in Customs Duties.

59. I shall first deal with my proposals about Customs duties.

60. In accordance with Government's general policy of gradually replacing, wherever possible, at least partly quantitative restrictions by higher import duties, a number of import duties on goods such as articles made of paper, papier mache, etc., advertising circulars and cutlery not plated with gold or silver, are being raised. Simultaneously, the import quotas will be liberalised. While the effect on revenue will not be considerable, the prices, including the duty, will be high enough to act as a deterrent to any undue expansion of consumption. On some items like zip fasteners and tiles of earthenware and porcelain, alternate specific duties are also being prescribed so that low-priced imports may not adversely affect indigenous manufacturers.

As part of the changes in the import tariff, I also propose to abolish completely, subject to the margin of preference being maintained wherever this is bound by agreement, duties on dyeing and tanning substances, gums, resins, plumbago and graphite. This is in accordance with Government's general policy of a gradual remission or reduction of duties on essential raw materials.

The export duty on cotton cloth is also being reduced to 6½ per cent., as a measure of assistance towards the maintenance of our competitive position in world markets.

These changes, which I am sure the House will welcome, will result in a loss of approximately half a crore of rupees and will be given effect to by a notification under Section 23 of the Sea Customs Act which is being issued today.

A slab system is also being prescribed for export duties on tea in lieu of the existing flat rates. A specific rate tends to become onerous in a period of falling prices; on the other hand when, as now, prices are rising the incidence of the tax in terms of value becomes progressively lighter with a flat rate. On account of the numerous qualities of tea and because such teas are often sent for sale in auction in the United Kingdom and the price at the time of the export is not ascertainable beyond reasonable doubt, it has not been possible to devise a system of ad valorem assessment. As a compromise, certain slab rates varying with the value have been prescribed in the present Bill.

This will not result in any change in the revenue yield at present prices.

The effect of these changes will be a loss of Rs. 50 lakhs in revenue.

Union Excise Duties.

Turning to excises I shall first deal with the changes in the existing duties. My first proposal is to raise the existing excise duty of Rs. 3/12/- per cwt. on sugar to Rs. 5/10/- per cwt. The Taxation Enquiry Commission consider that there is a case for a substantial enhancement of duty. Consumption of crystal sugar has expanded considerably in the last year or two and large quantities have had to be imported at considerable expenditure of foreign exchange. The increase in duty may also have the effect of discouraging consumption to some extent. The additional revenue is estimated at Rs. 5 crores.

My second proposal is with regard to the duties on cotton cloth. I propose to rationalise the existing classification and make a readjustment of the duties. At present, cotton cloth has been graded for purposes of the duty into four categories—superfine, fine, medium and coarse. This classification, as a basis for tax differentiation and as indicating the broad sections of the community using the cloth, has become somewhat

unrealistic. I propose to reclassify cloth into two categories,— superfine and others. The rate of duty on superfine cloth will be at two annas six pies per square yard and that on other cloth one anna per square yard. The special cess of three pies per yard for the development of the handloom industry will be levied in addition.

These proposals involve an increase equivalent to about three pies a linear yard on superfine cloth and six pies a linear yard on medium and coarse cloth. The total production of superfine cloth is not substantial in relation to the production of other categories. The Taxation Enquiry Commission have expressed the view that there was a case for enhancement of the rate of duties on all varieties of cloth. In making these adjustments, account has also to be taken of the need for additional revenue. Taking all factors into consideration, I do not think the increase involved can be considered as unreasonable.

The change in the unit for duty from linear yard to square yard is designed to secure a more equitable basis. In determining the category for purposes of assessment, the average count of yarn will, in future, be the basis and not the count of the warp yarn only as heretofore. I trust the House will agree that this rationalisation is in the right direction.

The additional revenue from these adjustments will amount to Rs. 9 crores.

My third proposal relates to matches. In pursuance of Government's policy of fostering the development of small-scale industries, I propose to increase the existing preference margin for the medium-sized and cottage groups of match factories. The present margin in respect of match boxes of 40s for medium-sized factories is one anna per gross of boxes. This is being raised to two annas per gross of boxes. Suitable increases are being made in the margins in respect of other categories. These concessions will result in a loss of revenue of Rs. 50 lakhs of which the States' share will be Rs. 20 lakhs.

My fourth proposal is in respect of cigarettes. In 1951, a temporary surcharge of 3 pies and 6 pies per ten cigarettes according to their retail price was imposed. The Taxation Enquiry Commission have recommended that these surcharges should be removed from the category of cigarettes of the value of Rs. 10 to Rs. 15 per thousand which appeared to them to be relatively over-taxed and that the revenue loss this would involve should be recouped by a suitable increase in the duty on the

category of cigarettes of the value of Rs. 40 to Rs. 50 per thousand. They have also recommended that along with this readjustment, the surcharge on categories other than the Rs. 10 to Rs. 15 per thousand category should be merged with the basic excise duty. These recommendations are being accepted with certain consequential modifications and necessary changes made. These taken together have no revenue significance.

62. I now turn to the new excises. The Taxation Enquiry Commission have recommended the imposition of a large number of new excise duties. I feel myself that an expansion of revenue from excises is, in the context of our requirements and also in the pattern of industrial development in the country, inescapable and that we shall increasingly have to look to the products of organised industries in the country which have grown up under the shadow of protection, both for bringing in additional revenues and replacing the loss of customs resulting from the replacement of imported manufactured goods by indigenous production. I propose to make a beginning with a number of these new excises in the coming year, the collection of which is unlikely to involve any major administrative problem. These excises would be on the production of factories and the rate of duty will be 10 per cent. *ad valorem*. The commodities proposed are Woollen Fabrics, Sewing Machines, Electric Fans, Electric lighting bulbs, Electric dry and storage batteries, Paper (excluding Newsprint) and Paperboard, and Paints and Varnishes. The total estimated revenue from all these excises will be Rs. 4 crores.

In order to maintain the existing margin between import and excise duties, a countervailing import duty at the same rate as excise duty will be levied on the imports of these commodities, where necessary.

The net additional revenue from the changes in excise duties will amount to Rs. 17·7 crores.

Changes in Income-tax.

63. I now come to changes in direct taxation.

Among the large number of the Taxation Enquiry Commission's recommendations, some deal with the broad structure of taxation and others with matters of detail, such as the inclusion or exclusion of certain categories of income from taxation, grant of incentives and other concessions and so on. So far as the basic structure of personal taxation is concerned they have suggested a graded diversification of the existing slabs, particularly in the

slabs of super-tax and the readjustment of rates within these slabs. They have also recommended the withdrawal of the concession relating to earned income beyond a certain reach which, they have suggested, should be Rs. 24,000. In the case of super-tax they have also suggested a lowering of the limit at which super-tax is attracted from Rs. 25,000 to Rs. 20,000. The broad pattern of adjustments suggested by the Commission has been accepted by Government and the proposals which I shall just explain seek to implement the scheme with such modifications as have been found necessary and desirable. As I mentioned earlier, the current year's proposals do not by any means cover all the recommendations of the Commission, but only such of them as have been found immediately practicable and feasible.

64. I shall first deal with changes in the tax structure.

In accordance with the recommendations of the Commission, the present tax exempt slab of Rs. 1,500 is being raised to Rs. 2,000 for married persons and reduced to Rs. 1,000 for unmarried persons. This is the first move in the direction of evolving a suitable scheme of family allowances which the Commission have suggested for implementation. The net loss of revenue is estimated at Rs. 90 lakhs.

The existing slab of Rs. 5,000 to Rs. 10,000 is being broken into two slabs ; on the slab of Rs. 7,500 to Rs. 10,000 the tax is being raised by six pies from one anna nine pies to two annas three pies. This is expected to yield a revenue of Rs. 1.35 crores.

In the next slab of income from Rs. 10,000 to Rs. 15,000, the rate is being raised from three annas to three annas three pies. This is expected to bring an additional revenue of Rs. 85 lakhs.

I accept in principle the recommendation of the Commission that earned income relief should not be allowed on higher brackets of income. As a first step I propose to reduce the allowance by stages on incomes in excess of Rs. 25,000, the concession ceasing when the level of Rs. 45,000 is reached. Between Rs. 25,000 and Rs. 45,000 the relief of Rs. 4,000 now allowed will be reduced by Rs. 200 for each Rs. 1,000 of income. The additional revenue is estimated at Rs. 1.9 crores.

In regard to super-tax, the existing slabs have been readjusted and the level at which super-tax is attracted reduced from Rs. 25,000 to Rs. 20,000. The readjustment generally

follows the pattern suggested by the Commission, but some adjustments have been made in the rates and slabs. The changes in the super-tax are estimated to yield an additional revenue of Rs. 5·75 crores.

I should like to mention two other changes which are being made in the structure of taxation. The first is an increase in the limit for rebate allowed for payment of premium on life insurance policies and subscriptions to recognised provident funds. In accordance with the Commission's recommendations, the existing limit of one-sixth of income subject to a ceiling of Rs. 6,000 is being raised to one-fifth of income with a ceiling of Rs. 8,000. Corresponding increases are being made for Hindu Undivided Families. This concession is designed to provide an incentive to savings and will cost the exchequer Rs. 25 lakhs. The second is a concession in favour of Hindu Undivided Families consisting of four members or more entitled to claim partition. Such families will be exempted from tax so long as their income does not exceed three times the exemption limit of Rs. 4,200 allowed to individuals. For such families the exemption limit for the payment of surcharge on income-tax is being raised from Rs. 14,400 to Rs. 21,600. It has not been possible to calculate the financial effect of these concessions but the amount involved is not likely to be substantial.

The Commission have made an interesting suggestion for imposing a surcharge-cum-deposit on incomes of over Rs. 25,000. As the Commission themselves recognise, this scheme requires further examination in the Finance Ministry. Meanwhile, I propose to continue the existing surcharge of 5% on income-tax and super-tax.

65. In the last few years, there has been a demand for an increase in the amount of depreciation allowances so as to take into account increased costs of replacement. The Commission have examined this matter in considerable detail and have come to the conclusion that the principle of revalorisation or continuous revaluation of an asset for purposes of depreciation is not merely defective in theory but certainly unworkable in practice. Instead, they have suggested that while the existing system of initial and double depreciation allowances may be retained with certain modifications for all industries, certain other new industries might be given a 'development rebate' equivalent to 25% of the cost of new fixed assets in the year of installation. For certain special industries of national importance, they have suggested a tax holiday for six years. These proposals require

further detailed consideration. Meanwhile, I propose to allow a Development Rebate of 25% of the cost of all new plant and machinery installed for business purposes instead of the present initial depreciation allowance of 20%. For purposes of calculating ordinary and double depreciation allowances, this rebate will not be taken into account.

Another important change proposed is that losses of business should be allowed to be carried forward indefinitely instead of only for six years as at present.

A number of other changes affecting the tax liability are being included in the amendments to the Income-Tax Act embodied in the Finance Bill for the coming year in accordance with the recommendations of the Taxation Enquiry Commission. I do not propose to weary the House by explaining all of them in detail. Some of these involve bringing into the net certain incomes which were not being taxed. Others give concessions recommended by the Commission. I would like to mention the more important among the former. The value of any perquisite or benefit, whether convertible into money or not received by salary earners drawing over Rs. 18,000 per annum and by directors of companies, and entertainment allowances of all kinds are being made subject to tax. Unclaimed balances out of expenses allowed as deduction, compensation received for loss of managing agency or other agencies and compensation received for termination of employment are similarly being made subject to tax. The provisions of Section 23-A are being tightened and a flat rate of super-tax of four annas in the rupee is being imposed on the undistributed profits of the company if 60% of its profits have not been distributed. Certain further concessions are being given to co-operative societies, but co-operative insurance societies are being made subject to tax. These and other changes are more in the direction of rationalising the income-tax structure and the cumulative financial effect is not expected to be appreciable.

The net effect of all these changes in income-tax is an increase in revenue of Rs. 8·7 crores, of which the States' share will amount to Rs. 4·2 crores.

66. The net effect of the proposals may now be summarised. The changes in customs duties will involve a loss of revenue of Rs. 50 lakhs and the changes in match excise a loss of the same amount, of which Rs. 20 lakhs will be passed on to the States. The new and increased excise duties will bring in a sum of

Rs. 18 crores. Changes in income-tax will yield Rs. 8·7 crores of which the States' share will amount to Rs. 4·2 crores. In the result, central revenue will increase by Rs. 21·7 crores leaving an uncovered deficit on revenue account of Rs. 8·47 crores. Including the additional taxation, the overall deficit for the year will stand at Rs. 318 crores.

67. This is the last budget of the first five-year plan, and like the budgets of the previous years, it has been framed with the main purpose of securing the orderly implementation of the Plan. I do not propose, in this context, to review the progress of the Plan. The House had an opportunity during the last session of a detailed discussion of the progress and I have no doubt there will be further occasions for a similar discussion. But I think that the end of this period which is in sight is an opportunity for a measure of stock-taking. The first plan was formulated under difficult circumstances with inflation, shortages and the like clouding the economy. The formulation of a plan was in itself a breaking of new ground, covering as it did a large part of the national life. The aim was to make a good enough beginning, and, looking back over the four years, I venture to suggest that this has been done with some success. The first plan itself only touched the fringe of the problem of national development. Many more such plans will have to follow. The Central and the State Governments are now fully seized of the importance of fulfilling the first plan to the fullest extent possible. The machinery of administration is being increasingly geared to the more effective implementation of the Plan, although there is still considerable room for improvement. While there have been shortfalls in achieving the targets, considering the size of the plan and the inevitable margin which has to be allowed for in any human planning, these have not been such as to discourage us. The country as a whole is becoming more and more plan-minded, and in the rural areas there is an awakening of interest in economic development which is noticeable even to a casual observer. The achievements of the first plan in terms of irrigation and power, industrial development and the community and the national extension programmes have been by no means inconsiderable. The second plan must provide for more accelerated development consistent with the stability of our economy and our declared policy of adherence to democratic methods. A great deal of new statistical information has now become available as a result of the publication of the Census Reports, the National Income Committee's Reports, the Reports of the National Sample Surveys and the Report of the Rural Credit Survey. In the last few months, considerable preparatory work has been done on statistical and technical

aspects of the problem of formulating a comprehensive plan. I hope it will be possible to issue in the near future a plan-frame which will set forth tentative inter-related targets, with due regard to the central objectives of the plan and the availability of resources.

The success of the second five-year plan will, in my view, depend upon two main factors, organisation and finance. In an economy in which monetary rewards are the principal device for directing real resources along desired lines, the availability of finance is a crucial consideration. But finance is, in a sense, a token. It can, if one likes, be created up to a point and within limits laid down by the need for combining stability with quick but orderly progress. It is not and can never be a question of formulating physical targets and leaving financial considerations aside. Both have to be correlated and the maximum amount of resources currently raised for investment and production. It is because the raising of the maximum resources is necessary for planned development that I make the large draft which I have made today on the tax payers' purse. There is the further justification for it, namely, that unless this is done, the objective of a welfare State enshrined in the Constitution will never be attained.

I mentioned earlier that the country as a whole was getting increasingly plan-minded. All over the country people of small means are making a contribution towards the plan by the offer of their resources and sometimes their labour. I myself have been receiving from small people, sometimes students who wish to remain anonymous, small contributions towards the Plan. It is to me personally a sustaining and heartening experience and if the spirit behind this continues to animate the people as a whole, we can look forward with confidence to the successful implementation of this and of future plans.

SUMMARY OF FINAL ESTIMATES**REVENUE**

	Budget 1954-55	Revised 1954-55	(In Lakhs of Rs.) Budget 1955-56
Customs	1,75,00	1,80,00	1,65,00
Union Excise Duties	1,03,30	1,03,65	—50*
			1,23,45
			+ 17,70*
Corporation Tax	38,35	38,41	39,77
Taxes on Income other than Corporation Tax	70,67	70,63	72,46
Estate Duty	25	8	21
Opium	1,85	2,26	2,00
Interest	2,78	3,61	2,91
Civil Administration	10,48	10,81	10,54
Currency and Mint	20,42	20,76	23,18
Civil Works	1,63	1,80	1,90
Other Sources of Revenue	7,92	9,84	19,21
Posts and Telegraphs—Net contribution to General Revenues	1,50	1,40	70
Railways— Net contribution to General Revenues	7,37	7,08	6,15
Extraordinary Items	10,21	75	1,28
TOTAL—REVENUE	4,51,73	4,51,08	4,68,76 + 21,70*

EXPENDITURE

Direct Demands on Revenue	32,19	30,46	33,13
Irrigation	16	14	13
Debt Services	40,00	39,40	39,20
Civil Administration	86,08	83,93	1,11,76
Currency and Mint	2,63	3,49	3,36
Civil Works and Miscellaneous Public Improvements	15,54	15,06	16,33
Pensions	8,45	8,77	9,13
Miscellaneous—			
Expenditure on Displaced persons	10,23	11,12	10,37
Other Expenditure	9,74	10,97	23,72
Grant to States, etc.	32,48	32,05	35,93
Extraordinary Items	23,97	22,67	13,19
Defence Services (Net)	2,05,62	1,98,02	2,02,68
TOTAL—EXPENDITURE	4,67,09	4,55,08	4,98,93
Surplus(+)			
Deficit(--)	—15,36	—5,00	—8,47

GOVERNMENT OF INDIA

BUDGET

of the

CENTRAL GOVERNMENT

for

1955-56

(As laid before Parliament, 1955)

MINISTRY OF FINANCE;

New Delhi, the 28th February 1955

H. M. PATEL,

Secretary to the Government of India

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I. General Statement of the Revenue and

(In thousands of Rupees)

	For details vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA REVENUE—					
Principal Heads of Revenue—					
Customs A		1,58,71,30	1,75,00,00	1,80,00,00	1,65,00,00 —50,00*
Union Excise Duties ,		94,98,13	1,03,30,00	1,03,65,00	1,23,45,00 +17,70,00
Corporation Tax Taxes on Income other than Corporation Tax and Estate Duty ,		41,54,19	38,35,00	38,41,00	39,77,00
Estate Duty ,		65,54,08	70,67,00	70,62,00	72,46,00 +1,50,00*
Opium ,		1,96,93	1,85,00	2,26,00	2,00,00
Other Heads ,		3,26,11	3,38,10	3,06,59	3,20,48
TOTAL—PRINCIPAL HEADS		3,65,93,94	3,92,90,10	3,98,03,63	4,06,99,31 +21,70,00*
Contributions from Railways ,		6,94,63	7,36,59	7,02,00	61,54,11
Irrigation : Net Receipts ,		37	—3	49	—
Posts and Telegraphs : (Net) (a) ,		2,10,24	1,50,00	1,40,00	70,00
Debt Services ,		2,91,23	2,77,77	3,61,35	2,91,04
Civil Administration ,		9,79,73	10,47,91	10,81,24	10,53,96
Currency and Mint ,		15,73,95	20,42,19	20,75,52	23,18,23
Civil Works and Miscellaneous Public Improvements ,		2,29,03	1,62,54	1,80,29	1,90,41
Electricity Schemes ,		1,15	6	—20	—1,04
Miscellaneous ,		7,36,83	4,53,72	6,76,68	16,00,28
Extraordinary Items ,		2,50,77	10,21,67	75,09	1,28,33
TOTAL—REVENUE		4,15,97,77	4,51,72,52	4,51,08,09	4,68,75,92 +21,70,00*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT	15,36,49	5,00,08	8,46,52
TOTAL		4,15,97,77	4,67,09,01	4,56,08,17	4,98,92,44

*Effect of Budget proposals.

(a) Figures shown net ; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

Note.—The account for 1953-54 have not been finally closed and the actuals given here are only provisional.

Expenditure met from Revenue of the Central Government

(In thousands of Rupees)

	For details vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue	B	29,83,45	32,10,0	30,46,12	33,13,47
Irrigation	"	10,00	15,91	13,90	13,40
Debt Services	"	40,32,22	40,00,00	39,40,00	39,20,00
Civil Administration	"	64,16,48	86,07,85	83,92,62	1,11,75,56
Currency and Mint	"	2,60,45	2,63,26	3,48,87	2,35,69
Civil Works and Miscellaneous Public Improvements	"	13,85,31	15,35,69	15,05,74	16,32,82
Electricity Schemes	"	10	..	..	..
Miscellaneous	"	32,11,10	28,12,31	30,86,55	42,71,46
Defence Services (a)	"	1,86,29.79	2,05,62,20	1,98,02,17	2,02,68,30
Contributions and Miscellaneous Adjustments between Union and State Governments	"	25,90,64	32,47,66	32,05,58	35,92,61
Extraordinary Items	"	11,77,82	23,97,94	22,66,62	13,19,13
TOTAL—EXPENDITURE MET FROM REVENUE		4,07,47,86	4,67,09,01	3,56,08,17	4,98,92,44
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS.					
TOTAL		4,15,97,77	4,67,9,01	4,56,08,17	4,98,92,44

(a) Figures shown net ; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II.—General Statement of the Receipts

[In thousands of Rupees]

RECEIPTS	For details vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) .		8,49,91	..	..	..
Capital Accounts outside the Revenue Account	C	..	..	..	35,95
Permanent Debt (net) .	„	..	25,26,16	1,12,65,12	68,83,27
Floating Debt (net) .	„	19,36,10	2,50,00,00	2,19,88,02	3,40,00,00
Loans and Advances by the Central Government (net) .	„	..	..	..	..
Inter-State Debt Settlements (net) .	„	..	..	9,82,00	4,23,00
TOTAL I.—CONSOLIDATED FUND OF INDIA		27,86,01	2,75,26,16	3,42,35,14	4,13,42,22
II.—CONTINGENCY FUND OF INDIA					
	„
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	„	52,95,67	60,61,79	65,27,93	68,59,88
Depreciation and other Reserve Funds (net)	„	..	..	..	..
Appropriation for Reduction or Avoidance of Debt (net) .	„	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) .	„	49,16,14	29,63,23	22,31,83	78,60,24
Remittances (net) .	„	4,59	..	..	13,97
Transfer of Cash between England and India (net) .	„	..	..	..	..
TOTAL III—PUBLIC ACCOUNT	„	1,07,16,40	95,25,02	92,59,76	1,52,34,09
TOTAL RECEIPTS		1,35,02,41	3,70,51,18	4,34,94,90	5,65,76,31
OPENING BALANCE	C	99,14,20	50,85,14	37,85,11	50,01,20
TOTAL	.	2,34,16,61	4,21,36,32	4,72,80,01	6,15,77,51

and Disbursements of the Central Government

[In thousands of Rupees].

DISBURSEMENTS	For details vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) .		..	15,36,49	5,00,08	8,46,52
Capital Accounts not met from Revenue .	C	24,17,57	1,45,75,12	1,78,54,43	2,23,30,09
Permanent Debt (net) .	„	38,55,36	..	..	..
Floating Debt (net) .	„	..	..	..	..
Loans and Advances by the Central Government (net) .	„	1,24,46,79	1,84,21,40	2,24,45,10	3,04,60,23
Inter-State Debt Settlements (net) .	„	..	..	..	..
TOTAL I.—CONSOLIDATED FUND OF INDIA .		1,87,19,72	3,45,33,01	4,07,99,61	5,36,36,84
 III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	C	..	..	..	..
Depreciation and other Reserve Funds (net) .	„	9,11,73	14,08,99	14,08,60	7,41,40
Appropriation for Reduction or Avoidance of Debt (net) .	„	..	..	..	..
Other Deposits and Advances (net) .	„	..	..	..	..
Remittances (net) .	„	..	12,26	70,60	..
Transfer of Cash between England and India (net) .	„	5	..	..	..
TOTAL III.—PUBLIC ACCOUNT .		9,11,78	14,21,25	14,79,20	7,41,40
TOTAL—DISBURSEMENTS .		1,96,31,50	3,59,54,26	4,22,78,81	5,43,78,24
CLOSING BALANCE .	C	37,85,11	61,82,06	50,01,20	71,99,27
TOTAL .		2,34,16,61	4,21,36,32	4,72,80,01	6,15,77,51

A.—Statement of the Revenue of the Central Government

[In thousands of Rupees]

Heads of Revenue	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease (-) as compar- ed with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease (-) as compar- ed with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs						
Duties	1,58,71,30	1,75,00,00	1,80,00,00	+ 5,00,00	1,64,50,00	- 15,50,00
II.—Union Excise Duties						
III.—Corporation Tax	94,98,13	1,03,30,00	1,03,65,00	+ 35,00	1,41,15,00	+ 37,50,00
IV.—Taxes on Income other than Corporation Tax and Estate Duty						
V.—Estate Duty	65,54,08	70,67,00	70,63,00	- 4,00	76,96,00	+ 6,33,00
VI.—Opium	25,00	18,50,00	18,04	- 16,96	20,83	+ 12,79
VII.—Land Revenue	1,96,03	1,85,00	2,26,00	+ 41,00	2,00,00	- 26,00
VIII.—State Excise Duties	76,26	52,93	47,31	- 5,62	46,32	- 99
IX.—Stamps	12,96	15,48	11,17	- 4,31	7,42	- 3,75
X.—Forest	1,47,53	1,45,13	1,52,77	+ 7,64	1,49,17	- 3,60
XI.—Registration	75,29	1,10,70	82,40	+ 28,30	1,00,40	+ 18,00
XII.—Receipts under Motor Vehicles Acts	2,48	1,99	2,17	+ 18	1,89	- 28
XIII.—Other Taxes and Duties						
TOTAL	3,65,99,84	3,92,80,10	3,98,09,63	+ 5,29,53	4,27,79,31	+ 29,69,68
IRRIGATION						
XVII.—Works for which Capital Accounts are kept—						
Gross Receipts	1,52	2,12	2,14	+ 2	2,14	..
Deduct—Working Expenses	1,28	2,35	1,85	+ 50	2,35	- 50
Net Receipts	24	- 23	29	+ 52	- 21*	- 50
XVIII.—Works for which no Capital Accounts are kept						
13	20	20	..	..	20	..
TOTAL	37	- 3	49	+ 52	- 1	- 50
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs—Gross Receipts						
44,16,56	45,66,00	45,93,00	+ 27,00	47,72,00	+ 1,79,00	
Deduct—Working Expenses	40,06,32	42,18,79	42,56,31	- 37,52	44,65,01	- 2,08,70
Net Receipts	4,10,24	3,47,21	3,36,69	- 10,52	3,06,59	- 29,70
DEBT SERVICES						
XX.—Interest						
Carried over	2,91,23	2,77,77	3,61,35	+ 83,58	2,91,04	- 70,31
3,73,01,68	3,99,05,05	4,05,08,16	+ 6,03,11	4,33,77,33	+ 28,69,17	

A.—Statement of the Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1953-54	Budg't Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+)De- crease(—) as com- pared with Budget, 1954-55	Budget, 1955-56	Increase (+)De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— (contd.)						
Brought forward . . .						
	3,73,01,68	3,99,05,05	4,05,08,16	+ 6,03,11	4,32,77,33	+ 28,69,17
CIVIL ADMINISTRATION						
XXI.—Administration of Justice . . .	2,41	2,00	6,34	+ 4,34	5,87	+ 47
XXII.—Jails and Convict Settlements . . .	31	53	43	- 10	39	+ 4
XXIII.—Police . . .	11,79	17,27	20,71	+ 3,44	13,15	+ 7,56
XXIV.—Ports and Pilotage . . .	29,88	35,88	25,24	- 10,64	36,60	+ 11,36
XXV.—Lighthouses and Lightships . . .	22,56	29,51	31,09	+ 1,58	31,04	+ 5
XXVI.—Education . . .	14,04	13,25	22,96	+ 9,71	11,37	+ 11,59
XXVII.—Medical . . .	4,31	21,00	18,58	- 2,42	18,37	+ 21
XXVIII.—Public Health . . .	13,50	10,61	12,77	+ 2,16	12,28	+ 49
XXIX.—Agriculture . . .	46,33	61,91	59,18	- 2,73	65,73	+ 6,53
XXX.—Veterinary . . .	8,23	10,00	7,97	- 2,03	8,94	+ 97
XXXI.—Co-operation . . .	1	2	2	..	2	..
XXXII.—Industries and Supplies—						
Gross Receipts . . .	5,43,31	5,69,37	10,07,30	+ 4,37,93	9,98,72	+ 8,58
Deduct—Working Expenses ..	..	..	4,34,00	- 4,34,00	4,47,36	+ 13,36
Net Receipts . . .	5,43,31	5,69,37	5,73,30	+ 3,93	5,51,36	+ 21,94
XXXIII.—Aviation . . .	72,19	68,30	78,34	+ 10,04	66,26	+ 12,08
XXXIV.—Broadcasting . . .	1,34,63	1,30,36	1,36,00	+ 5,64	1,43,10	+ 7,10
XXXVI.—Miscellaneous Departments . . .	76,23	77,90	88,31	+ 10,41	89,28	+ 97
TOTAL . . .	9,79,73	10,47,91	10,81,24	+ 33,33	10,53,96	+ 27,28
CURRENCY AND MINT—						
XXXVII.—Currency . . .	19,41,23	19,04,14	19,32,01	+ 27,57	21,72,99	+ 2,40,98
XXXVIII.—Mint . . .	1,32,72	1,37,75	1,43,51	+ 5,76	1,45,24	+ 1,73
TOTAL . . .	15,73,95	20,42,19	20,75,52	+ 33,33	23,18,23	+ 2,42,71
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works . . .	— 2,28,81	1,62,34	1,79,94	+ 17,60	1,90,06	+ 10,12
LX.—Receipts from Multi-purpose River Schemes . . .	22	20	35	+ 15	35	..
ELECTRICITY SCHEMES						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts . . .	5,02	6,73	6,83	+ 10	8,57	+ 1,74
Deduct—Working Expenses	3,87	6,67	7,03	- 36	9,61	+ 2,58
—Net Receipts . . .	1,15	6	-20	-26	-1,04	-84
Carried over . . .	4,00,85,54	4,31,57,75	4,38,45,01	+ 6,87,26	4,69,38,89	+ 30,93,88

A.—Statement of the Revenue of the Central Government—*concl.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+)De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+)De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— (contd.)						
Brought forward . . .						
MISCELLANEOUS—	4,00,85,54	4,31,57,75	4,38,45,01	+ 6,87,26	4,69,38,89	+ 30,93,88
XLIV.—Receipts in aid of Superannuation . . .	11,77	9,48	13,60	+ 4,12	9,42	- 418
XLV.—Stationery and Printing . . .	44,44	45,25	48,99	+ 3,74	40,36	- 8,63
XLV-A—Contributions from Railways . . .	6,94,63	7,36,59	7,08,00	- 28,59	6,15,41	- 92,59
XLVI.—Miscellaneous . . .	6,80,30	3,97,91	6,10,10	+ 2,12,19	15,49,04	+ 9,38,94
XLVI.—A—Receipts from Road and Water Transport Schemes . . .	5,77	9,10	10,70	+ 1,60	9,93	- 77
—Gross Receipts . . .	5,45	8,02	6,71	+ 1,31	8,47	- 1,76
Deduct—Working Expenses . . .	32	1,08	3,99	+ 2,91	1,46	- 2,53
Net Receipts . . .	14,31,46	11,90,31	13,84,68	+ 1,94,37	22,15,69	+ 8,31,01
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective . . .	11,53,11	10,75,92	11,22,80	+ 46,88	10,51,96	- 70,84
XLVII.—Defence Receipts—Non-effective . . .	22,66	10,00	20,90	+ 10,90	20,77	- 13
TOTAL . . .	11,75,77	10,85,92	11,43,70	57,78	10,72,73	- 70,97
CONTRIBUTIONS AND MISCELLANEOUS						
ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments . . .	..	..	..	..	..	..
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts . . .	6,60	10,21,67	75,09	- 9,46,58	1,28,33	+ 53,24
LI-A.—Receipts on account of community Development Projects, National Extension Service and Local Development Works . . .	..	..	..	..	..	..
LIIB.—Civil Defence . . .	67	..	..	..	..	..
LIIC.—Pre-Partition Receipts . . .	2,12,50	..	..	..	..	..
TOTAL . . .	2,50,77	10,21,67	75,09	- 9,46,58	1,28,33	+ 5324
RAILWAY REVENUES AS PER RAILWAY BUDGET	42,84,96	49,03,22	49,91,46	+ 88,24	50,75,90	+ 4,844
TOTAL—REVENUE . . .	4,72,28,50	5,13,58,87	5,14,39,94	+ 81,07	5,54,31,54	+ 39,91,60
Excess of Expenditure Over Revenue or Deficit . . .	—	15,36,49	5,00,08	..	8,46,52	—

B.—Statement of the Expenditure met from Revenue of the Central Government

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) Decrease (-) as compared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) Decrease (-) as compared with Revised, 1954-55
—						
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	2,79,53	3,60,87	3,42,71	—18,16	3,40,60	—2,11
2.—Union Excise Duties	18,87,04	20,09,87	18,79,69	—1,30,18	20,16,46	+1,81,77
3.—Corporation Tax	3,24,34	85,77	82,30	—3,47	88,82	+6,52
4.—Taxes on Income other than Corporation Tax.	2,70,76	2,72,48	+1,72	2,96,04	+23,56	
5.—Estate Duty	16,34	4,92	—11,42	13,23		+831
6.—Opium	2,58,09	1,95,07	1,90,88	4,19	1,72,07	18,81
7.—Land Revenue	15,82	19,03	19,42	+39	24,51	+5,09
8.—State Excise Duties	70	1,28	1,16	-12	1,03	—13
9.—Stamps	1,16,28	1,29,60	1,25,63	—3,97	1,33,41	+7,78
10.—Forest	1,00,67	1,29,02	1,25,57	—3,45	1,80,39	+54,82
11.—Registration	68	70	79	+9	86	+7
12.—Charges on account of Motor Vehicles Acts	1	3	4	+1	16	+12
13.—Other Taxes and Duties	29	75	53	—22	89	+36
TOTAL	29,83,45	32,19,09	30,46,12	—1,72,97	33,13,47	+2,67,33
REVENUE ACCOUNT OF IRRIGATION WORKS						
17. Interest on Works for which Capital Accounts are kept . . . . .	..	..	..	..	..	..
18. Other Revenue Expenditure	2.72	4.88	4.56	—32	6.04	1.48
TOTAL	2.72	4.88	4.56	—32	6.04	1.48
CAPITAL ACCOUNTS OF IRRIGATION, ETC., WORKS MET FROM REVENUE						
19. Construction of Irrigation Works financed from ordinary Revenues	7,28	11,03	9,34	—1,69	7,36	—1,98
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20. Posts and Telegraphs Interest on Debt	1,70,00	1,97,21	1,96,69	—52	2,36,99	+40,30
Carried over	31,63,45	34,32,21	32,56,71	—1,75,50	35,63,86	+3,07,15

B.—Statement of the Expenditure met from Revenue of the Central Government—contd.

[In thousands of Rupees]

Heads of Expenditure	Account, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease (—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease (—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA—(contd.)						
Brought forward . . .	31,63,45	34,32,21	32,16,71	-1,75,50	35,63,86	-3,07,15
DEBT SERVICES—						
22.—Interest on Debt and other Obligations . . .	77,85,93	83,72,77	83,12,05	-30,72	96,32,22	+12,90,17
<i>Deduct</i> —Interest transferred to—						
Railways . . .	27,41,15	28,13,26	27,88,32	+24,94	29,91,75	-2,03,43
Irrigation . . .	89	90	90	..	90	..
Posts and Telegraphs	1,72,62	1,97,72	1,97,72	..	2,37,44	-39,72
State Governments	9,95,13	15,55,00	15,86,18	-31,18	26,34,4	-10,47,96
Commututed Value of Perannas . . .	23,26	25,29	24,82	+47	25,56	-74
Other heads . . .	2,69,06	2,80,60	3,04,11	-23,51	3,22,43	-18,32
TOTAL TRANSFERS	42,02,81	48,72,77	49,02,05	-29,28	62,12,22	-13,10,17
Net . . .	35,82,22	35,00,00	34,40,00	-60,00	34,20,00	-20,00
23.—Appropriation for reduction or Avail- ance of Debt. . .	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL CIVIL ADMINISTRATION	40,82,22	40,00,00	39,40,00	-60,00	39,20,00	-20,00
25.—General Adminis- tration . . .	10,96,00	12,40,37	12,23,77	-16,60	13,17,45	93,68
26.—Audit . . .	4,81,33	5,43,60	5,43,14	-46	5,58,0	14,96
27.—Administration of Justice . . .	18,00	21,44	22,78	+1,34	21,34	-1,44
28.—Jails and Convict Settlements . . .	4,09	4,81	4,56	-25	4,45	-11
29.—Police . . .	3,16,22	3,84,81	4,06,36	+21,25	4,12,47	46,11
30.—Ports and Pil tage	76,97	1,02,07	91,41	-10,66	1,06,62	15,21
31.—Lig touses and Lig tships . . .	18,63	29,51	31,09	+1,58	31,04	-5
34.—Tribal Areas . . .	3,92,42	4,36,95	4,36,95	..	5,82,67	1,145,72
35.—External Affairs . . .	4,55,54	4,77,52	5,64,80	+87,28	5,69,66	4,26
36.—Scientific Depart- ments . . .	6,80,06	8,86,50	8,65,97	-20,53	10,67,25	+2,01,28
37.—Education . . .	4,30,15	12,80,88	11,01,29	-1,79,59	18,31,07	7,29,78
38.—Medical . . .	74,50	1,64,19	1,57,56	-6,63	1,59,69	+42,13
39.—Public Health . . .	86,62	2,21,51	2,09,51	-12,16	3,64,28	+1,54,77
40.—Agriculture . . .	2,33,64	4,97,89	4,90,10	-7,39	9,95,41	+5,04,91
40-A.—Rural Deve- lopment . . .	19	55	85	+30	1,51,95	+1,51,10
41.—Vete rinary . . .	34,36	36,54	35,83	-71	76,10	+42,77
42.—Co-operation . . .	64	1,42	1,24	-18	22,33	+21,09
43.—Industries and Supplies . . .	12,38,96	13,86,91	12,97,01	-89,90	16,55,77	+3,58,86
44.—Aviation . . .	2,38,88	2,50,52	2,51,30	+78	2,70,03	+18,73
45.—Broadcasting . . .	2,09,07	2,24,17	2,36,55	+12,38	3,05,35	+68,80
47.—Miscellaneous Departments . . .	4,21,21	4,15,53	4,20,15	+4,62	5,99,63	+1,79,48
TOTAL	64,16,68	86,07,85	83,92,62	-2,15,23	2,11,75,6	+27,82,94
	1,36,62,35	1,60,40,06	1,55,89,33	-4,50,73	1,86,59,42	+3,70,09

B.—Statement of the Expenditure met from Revenue of the Central Government—contd.

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) Decrease (—) as compared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) Decrease (—) as compared with Budget, 1955-56	Increase (+) Decrease (—) as compared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— (consd.)							
Brought forward . . .							
CURRENCY AND MINT—							
48.—Currency . . .	1,72,73	1,70,51	2,50,36	+ 79,85	2,35,45	+ 14,91	
49.—Mint . . .	87,72	92,75	98,51	+ 5,76	1,00,24	+ 1,73	
TOTAL . . .	2,60,45	2,63,26	3,48,87	+ 85,61	3,35,69	+ 13,18	
CIVIL WORKS ETC.—							
50.—Civil Works . . .	13,69,52	15,13,33	14,50,89	- 62,44	15,43,49	+ 92,60	
51-B.—Other Revenue Expenditure connected with Multipurpose River Schemes . . .	15,79	40,36	54,85	+ 14,49	89,33	+ 34,48	
TOTAL . . .	13,85,31	15,53,69	15,05,74	- 47,95	16,32,82	+ 1,27,08	
ELECTRICITY SCHEMES—							
52-A.—Other Revenue Expenditure connected with Electricity Schemes . . .	..	..	..	..	..	..	..
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—							
53.—Capital Outlay on Electricity Schemes . . .	10	..	..	..	..	..	..
MISCELLANEOUS—							
54.—Famine . . .	3	5	5	..	5	..	
54-A.—Territorial and Political Pensions . .	21,62	21,16	21,60	+ 44	27,33	+ 5,73	
54-B.—Privy Purses and Allowances of Indian Rulers . .	4,93,80	4,82,34	4,91,10	+ 8,76	5,29,47	+ 38,37	
55.—Superannuation Allowances and Pensions . .	3,44,54	3,42,13	3,64,07	+ 21,94	3,55,81	+ 8,26	
56.—Stationery and Printing . . .	2,80,79	2,06,12	1,85,59	- 20,53	1,98,18	+ 12,59	
57.—Miscellaneous . . .	20,70,62	17,90,51	20,24,14	+ 2,33,63	32,10,62	+ 11,86,48	
TOTAL . . .	32,11,40	28,42,31	30,86,55	+ 2,44,24	43,21,46	+ 12,34,91	
DEFENCE SERVICES—							
58.—Defence Services Effective—Army . . .	1,44,19,81	1,52,95,11	1,50,61,51	+ 2,33,60	1,49,13,78	+ 1,47,73	
59.—Defence Services Effective—Navy . . .	10,39,47	12,14,38	11,59,78	- 54,60	12,68,84	+ 1,09,06	
60.—Defence Services Effective—Air Force . . .	28,58,61	35,90,45	31,77,44	- 4,13,01	35,48,42	+ 3,70,98	
60-A.—Defence Services Non-Effective . . .	14,87,67	15,48,18	15,47,14	- 1,04	16,09,99	+ 62,85	
TOTAL . . .	1,98,05,56	2,16,48,12	2,09,45,87	- 7,02,25	2,13,41,03	+ 3,95,16	
Carried over . . .	3,83,25,17	4,23,47,44	4,14,76,36	- 8,17,08	4,62,90,42	+ 48,14,06	

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(-) as com- pared with Budget, 1954-55	Increase (+) De- crease(-) as com- pared with Revised, 1954-55	
					Budget Estimate, 1955-56	Budget Estimate, 1955-56

**I.—CONSOLIDATED FUND OF INDIA—
(*cncid.*)**

Brought forward . . .	3,83,25,17	4,23,47,44	4,14,76,36	—8,71,08	4,62,90,42	+ 48,14,06
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CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENT BETWEEN UNION AND STATE GOVERNMENTS

61.—Grants-in-aid to States . . .	25,86,56	32,44,90	32,11,56	—43,34	35,89,06	+ 3,87,50
62.—Miscellaneous Adjustments between Union and State Governments . . .	4,08	2,76	4,02	+ 1,26	3,55	—47
TOTAL . . .	25,90,64	32,47,66	32,05,58	—42,08	35,92,61	+ 3,87,03

EXTRAORDINARY ITEMS—

63.—Extraordinary Charges . . .	10,41,07	22,23,21	21,02,45	—1,20,76	..	—21,02,45
63-B.—Community Development Projects, National Extension Service and Local Development Works.	13,15	36,63	22,97	—13,66	11,89,93	+ 11,66,96
64-B.—Civil Defence . . .	1,12	1,20	1,25	+ 5	1,20	—4
64-C.—Preparation Payments . . .	1,22,48	1,36,00	1,39,95	+ 3,95	1,28,00	—11,95
TOTAL . . .	11,77,82	23,97,04	22,66,52	—1,30,42	13,19,13	—9,47,49

RAILWAY EXPENDITURE AS PER RAILWAY BUDGET . . .	42,84,96	49,03,22	49,91,46	+ 88,24	50,75,90	+ 84,44
TOTAL—EXPENDITURE MET FROM REVENUE . . .	4,63,78,59	5,28,95,36	5,19,40,02	—9,55,34	5,82,78,06	+ 43,38,04

Excess of Revenue over Expenditure or Surplus

8,49,91

C.—Statement of the Receipts and Disbursements of the Central Government.

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUNDS OF INDIA				
Excess of Revenue over Expenditure (from Statement B)	8,49,91	..	..	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses . . . . .	..	..	..	35,95
PUBLIC DEBT—				
<i>A.—Debt raised in India—</i>				
I.—PERMANENT DEBT—				
New Loan . . . . .	..	75,00,00	..	1,25,00,00
31 per cent Naitonal Plan Loan, 1964 . . . . .	..	..	1,58,10,00	..
15-Year Annuity Certificates . . . . .	..	..	55,93	75,60
Other Loans	75,29,67	..	2,30	..
TOTAL	75,29,67	75,00,00	1,58,68,23	1,25,75,60
II.—FLOATING DEBT—				
Treasury Bills	13,63,98,50	19,70,13,00	16,30,38	25,33,80,00
Treasury Deposit Receipts . . . . .	..	..	..	..
Other Floating Loans . . . . .	..	..	..	..
TOTAL	13,64,98,50	19,70,13,00	16,30,38,75	25,33,80,00
<i>T.—Debt raised in England—</i>				
Permanent Debt . . . . .	..	..	..	..
C.—Other Debt	1,52,97	3,27,80	2,28,00	16,13,00
TOTAL—PUBLIC DEBT	14,41,81,14	20,48,40,80	17,91,34,98	26,75,68,60
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments	13,20,63	20,90,24	24,05,48	24,92,49
Other Loans and Advances	5,69,14	2,73,45	7,59,76	6,12,53
TOTAL	18,89,77	23,63,69	31,65,24	31,05,02
<i>Inter-State Debt Settlements—</i>				
India and Pakistan . . . . .	..	..	..	..
India and Burma . . . . .	..	..	10,92,00	4,68,00
Centre and Hyderabad . . . . .	..	..	..	..
Centre and Mysore . . . . .	..	..	..	..
Centre and Travancore-Cochin . . . . .	..	..	..	..
TOTAL . . . . .	..	..	10,92,00	4,68,00
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	14,69,20,82	20,72,04,49	18,33,92,22	27,11,77,57

C.—Statement of the Receipts and Disbursements of the Central Government.—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA—<i>contd.</i>				
Excess of Expenditure over Revenue (from Statement A). . . . .	..	15,36,49	5,00,08	8,46,52
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	11,84,69	33,92,55	32,49,19	66,09,02
Posts & Telegraphs	7,66,03	11,48,62	11,44,99	11,85,00
Forest	12,96	28,76	23,69	27,61
Security Printing Press	7,24	5,21	2,96	3,50
Irrigation	28,30	25,00	24,78	22,93
Agricultural Improvement and Research	41,64	1,25,56	70,64	93,98
Industrial Development	5,06,85	24,09,58	15,03,89	16,42,14
Civil Aviation	1,37,07	3,33,80	2,87,42	5,28,10
Broadcasting	32,01	1,24,57	1,12,40	2,00,00
Ports	1,47,44	5,31,14	3,60,20	5,28,84
Currency	1,25	2,71	90	7,84,80
Mint	28,33	71,73	57,42	50,30
Initial Expenditure on New Capital at Delhi	47,68	6,07,56	5,48,94	6,86,03
Multi-purpose River Schemes	3,97,94	3,93,86	3,91,59	4,30,33
Civil Work	12,89,56	25,04,99	15,67,88	10,26,02
Capital Outlay of Electricity Schemes	11,10	76,41	27,58	37,48
Road and Water Transport Schemes	13,62	9,16	3,48	1,60
Capital Outlay on Shipping, tankers, etc. . . . .	..	..	..	1,00,00
Payments of Commuted Value of Pensions	8,12	26,21	9,69	49
Capital Outlay on Sterling Pensions	—7,15,66	—7,05,17	—7,05,17	—6,94,58
Compensation to Displaced Persons . . . . .	..	4,00,00	7,65,00	20,99,00
Payments to Retrenched Personnel	—1,11	—1,09	—1,25	—1,52
Appropriation to the Contingency Fund . . . . .	..	..	..	..
Transfer of the Sale Proceeds of American Loan Wheat . . . . .	..	..	..	..
Defence Capital Outlay	10,16,10	17,75,00	13,08,94	22,38,00
Schemes of Government Trading	—25,43,59	—3,11,04	58,47,69	28,99,95
Capital Outlay on Development Grants . . . . .	..	16,00,00	12,51,58	18,31,07
TOTAL	24,17,57	1,45,75,12	1,78,54,43	2,23,30,09

PUBLIC DEBT—

A.—Debts raised in India—

I.—PERMANENT DEBT—

15-year Annuity Certificates . . . . .	..	..	1,27	5,02
Other Loans	1,12,50,83	49,76,00	45,07,80	69,79,80
CARRIED OVER TOTAL	1,12,50,83	49,76,00	45,09,07	69,84,82
Carried over	24,17,57	1,61,11,61	1,83,54,51	2,31,76,61

C.—Statement of the Receipts and Disbursements of the Central Governments.—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA—<i>contd.</i>				
Brought forward . . .	24,17,57	1,61,11,61	1,83,54,51	2,31,76,61
Brought forward . . .	1,12,50,83	49,76,00	45,09,07	69,84,82
II.—FLOATING DEBT—				
Treasury Bills . . .	13,45,32,50	17,20,13,00	14,10,38,75	21,93,80,00
Treasury Deposit Receipts . . .	14,50	..	..	..
Other Floating Loans . . .	15,40	..	11,98	..
TOTAL . . .	13,45,62,40	17,20,13,00	14,10,50,73	21,93,80,00
B.—Debt raised in England—				
PERMANENT DEBT—				
India Stocks . . .	3,56	38,50	42,13	3,38
Railway Debenture Stocks . . .				
State Railway Annuities . . .	1,11,06	1,15,17	1,15,17	1,19,43
TOTAL . . .	1,14,62	1,53,67	1,57,30	1,22,81
C—Other Debt . . .	1,72,55	1,71,97	1,64,74	1,97,70
TOTAL—PUBLIC DEBT . . .	14,61,00,40	17,73,14,64	14,58,81,84	22,66,85,33
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments . . .	1,24,03,23	1,78,79,17	2,20,27,05	2,79,29,10
Other Loans and Advances . . .	19,33,33	29,05,92	35,83,29	56,36,15
TOTAL . . .	1,43,36,56	2,07,85,09	2,56,10,34	3,35,65,25
Inter-State Debt Settlements—				
India and Pakistan . . .	..	..	..	..
India and Burma . . .	..	..	..	..
Centre and Hyderabad . . .	..	..	..	..
Centre and Mysore . . .	..	..	..	45,00
Centre and Travancore-Cochin . . .	..	..	1,10,00	..
TOTAL . . .	..	..	1,10,00	45,00
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS . . .	26,28,54,53	21,42,11,34	18,99,56,69	28,34,72,19

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
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II.—CONTINGENCY FUND OF INDIA—

CONTINGENCY FUND OF INDIA—

Appropriations from the Consolidated Fund or from any Reserve Fund. ..

TOTAL II.—CONTINGENCY FUND OF INDIA—RECEIPTS

..

Statement of the Receipts and Disbursements of the Central Government—contd.

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
II.—PUBLIC ACCOUNT—				
<u>UNFUNDDED DEBT—</u>				
Deposits of Service Funds	16,56	14,60	9,27	12,22
Post Office Savings Bank Deposits	1,17,37,03	1,16,41,00	1,33,58,00	1,36,75,00
Defence Savings Bank Deposits	..	..	..	..
Post Office Cash Certificates	—7	..	..	..
Defence Savings Certificates				
National Savings Certificates	28,39,97	35,00,00	28,37,80	31,20,00
State Provident Funds	30,75,77	28,55,25	32,92,27	33,45,20
Other Accounts	1,86,87	1,88,42	2,00,70	2,18,30
Ten-year Treasury Savings Deposit Certificates	6,86,26	8,00,00	5,50,00	5,50,00
Ten-year National Plan Certificates	..	..	7,01,00	7,20,00
TOTAL	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72
<u>DEPOSITS AND ADVANCES—</u>				
Depreciation and other Reserve Funds—				
(a) <i>Interest-bearing</i>				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	35,31,30	34,77,18	34,94,11	47,11,36
Railway Development Fund as shown in Railway Budget	3,29,52	5,64,40	7,13,99	30,74
P. & T. Renewals Reserve Fund	1,00,00	1,25,00	1,25,00	1,35,00
Telephone Development Fund	76,03	60,00	45,00	40,00
Other Reserve Funds	8,44	42,93	42,84	35,61
(b) <i>Non-interest bearing</i> —				
Other Reserve Funds	6,30	4,46	7,96	8,34
Appropriation for Reduction or Avoidance of Debt.	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(a) <i>Interest bearing</i> —				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942.	5,97	..	..	..
Compulsory Deposits of Excess of Profits Tax under Ordinance No. XVI of 1943.	—4,70	35,00	20,00	10,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	—4,82	..	..	..
Deposits towards payment of Excess Profits Tax.	—40	..	..	..
Deposits towards payment of Income Tax.	20,58	140,00	40,00	40,00
Advance payment of Tax under Section 18-A of Income Tax Act.	34,56	..	..	..
Deposits of Trusts for Indian Princes.	5,86	5,70	5,70	5,48
Other Deposits	2,48	..	..	..
Carried over	46,11,12	48,54,67	49,94,60	55,16,53
Carried over	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72

Statement of the Receipts and Disbursements of the Central Government—contd.

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—				
Brought forward . . .	<u>1,85,42,39</u>	<u>1,89,99,27</u>	<u>2,09,49,04</u>	<u>2,16,40,72</u>
Brought forward . . .	<u>46,11,12</u>	<u>48,54,67</u>	<u>49,94,60</u>	<u>55,16,53</u>
(b) <i>Non-interest bearing</i> —				
Silver Redemption Reserve	34,09	22,54	22,75	21,16
Central Road Fund . . .	6,17,33	5,28,12	5,35,91	5,34,98
Coal Mines Safety and Conservation Fund.	..	1,10,00	..	..
Kutch Benevolent Fund	50	50	50	50
Fund for the Benefit of Cotton-growers.	86,36	1,50,00	55,55	70,55
Cotton Textile Fund . . .	..	..	..	..
Sugar (Temporary) Excise Fund.	90	..	4,84	3,86
Reserve Fund for Protection of Sugar Industry.	1,63	3,69	3,69	4,18
Fund for Relief of Groundnut Cultivators.	1	9	..	9
Fund for Relief of Linseed Cultivators.	1,32	..	..	..
Fund for Development of Handloom Weaving Industry.	..	..	..	..
Fund for Development of Handloom and Khadi Industries.	7,52,58	6,18,04	7,35,70	6,92,50
Tea Improvement Fund . . .	..	1,40,10	..	..
Coffee Marketing and Improvement Fund.	..	24,96	..	..
Rubber Production and Marketing Fund.	..	5,03	..	..
Development Fund . . .	..	..	..	..
Special Development Fund—				
Fund from the Sale proceeds of American Loan Wheat.	18,72	..	..	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan.	2,23,80	2,80,45	3,26,94	10,30,02
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement.	14,41,51	42,04,27	19,19,42	47,51,18
Fund for Assistance from Norway for Fisheries Community Development.	4,97	27,00	27,00	20,00
Coal Mines Labour Housing and General Welfare Fund.	2,08,66	1,00,00	1,17,41	1,17,11
Mica Mines Labour Welfare Fund.	17,89	25,00	25,00	20,00
Coal Production Fund . . .	..	3,55	87	4,23
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay.	—1	..	..	..
Workmens Benefit Fund . . .	..	..	..	..
P.O. Certificate Bonus Fund	4,59,13	5,06,58	5,06,74	4,62,59
Deposits of Local Funds . . .	3,51,66	4,13,13	3,00,70	3,95,64
Civil Deposits . . .	1,67,92,31	1,52,73,38	1,66,88,75	1,85,75,26
Other Deposits . . .	51,71,42	47,05,21	45,18,91	44,44,45
Carried over . . .	<u>3,07,95,90</u>	<u>3,19,96,37</u>	<u>3,07,85,28</u>	<u>3,67,14,83</u>
Carried over . . .	<u>1,85,42,39</u>	<u>1,89,99,27</u>	<u>2,09,49,04</u>	<u>2,16,40,72</u>

Statement of the Receipts and Disbursements of the Central Government—*contd.*

[[In thousands of Rupees]]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT				
<i>—contd.</i>				
Brought forward . . .	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72
Brought forward . . .	3,07,95,90	3,19,96,37	30,85,28	3,67,14,83
Account of payment in respect of provisional assessment of Excess Profits Tax.	6,69	..	..	..
Deposit account of refundable Excess Profits Tax.	81	15,00	15,00	10,00
Deposit account of refundable Central Income-Tax Surcharge.	..	..	..	..
Deposit account of interest on Excess Profits Tax Deposits.	28,35	7,30	5,50	5,40
Deferred Pay of Indian Troops . . .	..	1,37,43	1,40,30	1,36,41
Post-war Reconstruction Fund . . .	..	..	..	..
Other Accounts . . .	4,31,60	15,84,74	7,60,83	7,41,66
Accounts with the Government of Burma.	28,83	12,20	14,00	12,00
Accounts with the Reserve Bank	91,00	89,65	89,64	89,65
Other Advances . . .	87,26,83	86,24,50	88,12,53	87,12,20
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver (net)	..	2,80	3,20	2,80
Sales of lease-lend Silver (net).	..	..	..	..
Cash Balance Investment Account (net).	46,21,17	..	..	..
Profits on circulation of nickel, bronze and copper coins (net).	..	..	..	..
Discount Sinking Fund . . .	69,74	1,03,96	1,00,26	1,16,14
Bonus on Loans . . .	..	..	..	..
Other Suspense Accounts (net).	2,80,84	36,27,86	44,39,78	33,33,03
Cheques and Bills (net) . . .	26,00	55,86	1,98,64	2,93,82
Departmental and Similar Accounts (net). ,	..	..	1,35,13	1,53,47
Miscellaneous. . . .	1,12,95	79,83	2,20,94	1,54,59
TOTAL . . .	4,57,20,71	4,68,37,50	4,62,21,03	5,09,76,00
Carried over . . .	6,42,63,10	6,58,36,77	6,71,70,07	7,26,16,72

C.—Statement of the Receipts and Disbursements Central Government—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
<hr/>				
III.—PUBLIC ACCOUNT— <i>concld.</i>				
Brought forward . . .	6,42,63,10	6,58,36,77	6,71,70,07	7,26,16,72
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REMITTANCES—				
REMITTANCES WITHIN INDIA—				
Inland Money Orders . . .	2,06,47,98	2,05,00,00	2,13,00,00	2,14,00,00
Other Remittances . . .	10,14,74	3,94,90	3,93,24	4,49,97
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Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Tele- graphs.	13,33,91	15,83,60	21,84,11	23,00,34
Exchange Accounts between Civil and Defence Services.	1,60,49,75	1,84,19,03	1,73,26,92	1,79,02,74
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II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver . . .	..	..	..	..
Other Transactions . . .	1,60,21,70	1,21,44,72	1,35,15,01	1,31,81,22
TOTAL . . .	5,50,68,08	5,30,42,25	5,47,19,28	5,52,34,27
<hr/>				
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Re- serve Bank.	1,20,89,68	1,21,66,12	1,36,00,00	1,32,69,59
<hr/>				
RESERVE BANK DEPOSITS— RAILWAYS . . .				
	..	—38,27,01	—34,67,89	—63,74,72
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TOTAL III—PUBLIC ACCOUNT—				
RECEIPTS . . .	13,14,20,86	12,72,18,13	13,20,21,46	13,47,45,86
TOTAL—(I+II+III) . . .	27,83,41,68	33,44,22,62	31,54,13,68	40,59,23,43
OPENING BALANCE . . .	99,14,20	50,85,14	37,85,11	50,01,20
GRAND TOTAL . . .	28,82,55,88	33,95,07,79	31,91,98,79	41,09,24,63

C.—Statement of the Receipt and Disbursements of [the Central Government—*contd.*]

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Special Loans	28	26	28	28
Deposits of Service Funds	24,99	24,25	26,29	22,56
Post Office Savings Bank Deposits	1,03,12,69	1,02,91,00	1,13,07,00 1,00	1,15,74,10 90
Defence Savings Bank Deposits . . . . .	..	2,07,00	2,04,00	1,30,00
Post Office Cash Certificates	2,50,77	20,00	14,00	10,00
Defence Savings Certificates	59,04	8,50,20	9,25,80	11,20,00
National Savings Certificates	8,11,38,	13,37,28	17,34,29	16,96,13
State Provident Funds	15,82,18	1,57,49	1,57,45	1,56,87
Other Accounts	1,57,42			
Ten-year Treasury Savings Deposit Certificates	47,97	50,00	50,00	50,00
Ten-year National Plan Certificates . . . . .	..	..	1,00	20,00
TOTAL	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(a) <i>Interest bearing</i> —				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	38,11,45	43,29,75	43,86,63	41,97,79
Railway Development Fund as per Railway Budget	9,80,94	10,59,37	12,14,19	12,31,69
P. & T. Renewals Reserve Fund	1,13,94	1,45,00	1,10,00	1,00,00
Telephone Development Fund	28,81	75,00	75,00	65,00
Other Reserve Funds	5,24	69,97	46,46	99,66
(b) <i>Non-interest bearing</i> —				
Other Reserve Funds	22,94	3,87	5,22	8,31
Appropriation for Reduction or Avoidance of Debt—				
Sinking Funds . . . . .	..	..	..	..
Other deposits and Advances . . . . .	..	..	..	..
(a) <i>Interest-bearing</i>				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942	13,10	10	10	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943	2,82,12	60,00	55,00	21,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	9,70	4,00	4,00	1,00
Carried over	52,68,24	57,47,06	58,96,60	57,24,45
Carried over	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84

C.—Statement of the Receipt and Disbursements of the Central Government—contd. [In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
—II.—PUBLIC ACCOUNT—contd.				
Brought forward	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84
Brought forward	52,68,24	57,47,06	58,96,60	57,24,45
Deposits towards payment of Excess Profits Tax.	—2,44,90	50	50	..
Deposits towards payment of Income Tax.	27,24	70,00	60,00	45,00
Advance payment of Tax under Section 18A of the Income Tax Act.	8,82,10	2,35,00	70,00	9,00
Deposits of Trusts for Indian Princes	22,11	22,11	22,11	22,11
(b) Non-interest bearing—				
Silver Redemption Reserve .	20,99	22,54	22,75	21,16
Central Road Fund .	3,67,85	6,11,90	6,39,54	6,44,07
Coal Mines Safety and Conversation Fund.	..	89,26	..	..
Kutch Benevolent Fund .	23	50	50	50
Fund for the Benefit of Cotton-growers	1,11,77	1,81,41	86,41	95,80
Cotton Textiles Fund .	20	24,67	15,11	27,42
Sugar (Temporary) Excise Fund	7,64 ..	68,10	46,10	55,86
Reserve Fund for Protection of Sugar Industry.	1,89	23,89	..	..
Fund for Relief of Groundnut Cultivators.	5	4	51	4
Fund for Relief of Linseed Cultivators.	2	41	25	34
Fund for Development of Handloom Weaving Industry.	4,91	..	8,50	..
Fund for Development of Handloom and Khadi Industries.	3,59,24	7,60,00	7,33,00	8,05,00
Tea Improvement Fund .	..	83,56	..	..
Coffee Marketing and Improvement Fund.	..	5,65	..	..
Rubber Production and Marketing Fund.	..	1,77	..	..
Development Fund .	4	..	..	..
Special Development Fund—				
Fund from the Sale proceeds of American Loan Wheat	20,60,78	21,27,00	24,83,00	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan.	3,55,51	..	67,00	..
Fund from other Assistance under the Colombo Plan.	2,23,80	2,53,78	3,33,19	10,35,93
Fund from Assistance under the Indo-U. S. Technical Co-operation Agreement.	5,21,77	31,36,95	20,78,45	35,61,31
Fund for Assistance from Norway for Fisheries Community Development.	..	27,00	..	20,00
Coal Mines Labour Housing and General Welfare Fund.	2,50,60	1,28,00	1,06,74	1,19,74
Mica Mines Labour Welfare Fund	6,73	25,93	11,67	14,03
Coal Production Fund .	..	..	..	..
Fund or payment of Bonus to Pay Temporary Clerical Personnel under the Unified Scale of Workmen's Benefit Fund	..	1,71	1,07	1,20
P. O. Certificate Bonus Fund .	85,28	73,35	69,54	38,51
Deposits of Local Funds .	3,91,72	4,16,01	3,38,08	3,86,29
Civil Deposits .	1,59,08,93	1,50,61,22	1,62,42,52	1,64,74,23
Other Deposits .	48,46,96	46,53,57	43,98,84	44,04,01
Carried over .	3,14,81,72	3,38,52,89	3,37,31,98	3,35,06,00
Carried over .	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84

C.—Statement of the Receipt and Disbursements of the Central Government *contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—<i>contd.</i>				
Brought forward . .	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84
Brought forward . .	3,14,81,72	3,38,52,89	3,37,31,98	3,35,06,00
Transactions connected with 1939.	4,43	..	..	..
Account of payment in respect of provisional assessment of Excess Profits Tax.	52,57	40,00	35,00	12,00
Deposit account of refundable Excess Profits Tax.	5,29,81	1,05,00	1,05,00	1,05,00
Deposit account of refundable Income-Tax Surcharge.	2,29	..	..	..
Deposit account of interest on Excess Profits Tax Deposits.	..	6,00	4,30	1,60
Deferred Pay of Indian Troops	..	85,00	77,50	60,00
Post War Reconstruction Fund	..	80	5,82	2,90
Other Accounts . . .	2,86,68	16,16,50	5,95,99	6,08,98
Account with the Government of Burma.	30,79	12,10	14,10	13,10
Accounts with the Reserve Bank	90,86	86,84	88,11	88,10
Other Advances . . .	83,90,63	186,54,02	87,98,98	86,67,98
Value of One-rupee Note issued	5,00	..	..	..
Purchases and Sales of Silver (net)	3.51	..	..	..
Sales of lease-lend Silver (net)	..	..	..	..
Cash Balance Investment Account (net)	..	..	8,26,00	..
Profits on circulation of nickel, bronze and copper coins (net).	1,08,54	1,28,48	1,34,98	1,37,46
Discount Sinking Fund . . .	..	..	2,37,15	..
Bonus on Loans . . .	..	..	1	..
Other Suspense Accounts (net) .	..	..	..	..
Cheques and Bills (net) . . .	..	..	..	..
Departmental and Similar Ac- counts (net).	1,29,21	1,15,63	..	..
Miscellaneous . . .	1,00,26	80,00	2,42,88	1,54,03
TOTAL . .	4,12,16,30	4,47,83,26	4,48,97,80	4,33,57,16
Carried over . .	5,44,63,02	5,77,20,74	5,93,18,91	5,81,38,00

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
..

III.—PUBLIC ACCOUNT—*concld.*

Brought forward . .	5,44,63,02	5,77,20,74	5,93,18,91	5,81,38,00
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REMITTANCES

I.—REMITTANCES WITHIN INDIA—

Inland Money Orders . .	2,06,58,63	2,04,50,00	2,13,20,00	2,14,20,00
Other Remittances . .	11,05,78	4,57,16	4,43,84	4,16,00

Accounts between Civil and other Departments—

Exchange Accounts between Civil and Posts and Telegraphs.	14,02,99	15,83,60	21,84,11	23,00,34
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Exchange Accounts between Civil and Defence Services.	1,59,90,96	1,84,19,03	1,73,26,92	1,79,02,74
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II.—REMITTANCES BETWEEN ENGLAND AND INDIA.—

Remittance Accounts between England and India—

Purchases and Sales of Silver . .	..	..	..	..
Other Transactions . .	1,59,05,13	1,21,44,72	1,35,15,01	1,31,81,22
TOTAL . .	5,50,63,49	5,30,54,51	5,47,89,88	5,52,20,30

TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—

Remittances through the Reserve Bank.	1,20,89,73	1,21,66,12	1,36,00,00	1,32,69,59
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RESERVE BANK DEPOSITS—

RAILWAYS	—38,27,01	—34,67,89	—63,74,72
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TOTAL III.—PUBLIC ACCOUNT—DISBURSEMENTS

12,16,16,24	11,91,14,36	12,42,40,90	12,02,53,17
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TOTAL (I+III)	28,44,70,77	33,33,25,70	31,41,97,59	40,37,25,36
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Closing Balance . .	37,85,11	61,82,06	50,01,20	71,99,27
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GRAND TOTAL . .	28,82,55,88	33,95,07,76	31,91,98,79	41,09,24,63
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THE FINANCE BILL, 1955

(AS INTRODUCED IN THE LOK SABHA)

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1955-56.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Finance Act, 1955.

2. Income-tax and Super-tax.—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the year beginning on the 1st day of April, 1955—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule, increased in each case by a surcharge for purposes of the Union at the rate specified therein in respect of each such rate of income-tax, and

(b) rates of super-tax, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (XI of 1922) (hereinafter referred to as the Income-tax Act), be those specified in Part II of the First Schedule, increased in the cases to which Paragraphs A, B and C of that Part apply, by a surcharge for purposes of the Union at the rate specified therein in respect of each such rate of super-tax.

(2) In making any assessment for the year ending on the 31st day of March, 1956, there shall be deducted from the total income of an assessee.—

(i) in respect of the earned income, if any, chargeable under the head "salaries" which is included in his total income, an amount equal to one-fifth of such earned income, plus

(ii) in respect of the earned income, if any, other than the income chargeable under the head "salaries" which is included in his total income,—

(a) where such earned income does not exceed twenty five thousand rupees, an amount equal to one-fifth of such earned income;

(b) where such earned income exceeds twenty five thousand rupees, the amount, if any, arrived at after deducting from four thousand rupees one-fifth of such excess:

Provided that the aggregate amount to be deducted under this sub-section shall not in any case exceed four thousand rupees.

(3) In making any assessment for the year ending on the 31st day of March, 1956,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "salaries" as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head "Interest on securities", or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1954 (17 of 1954) on his total income the same proportion as the amount of such inclusions bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1954 (17 of 1954), on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March, 1956,—

(a) where the total income of a company includes any profits and gains from life insurance business, the super-tax otherwise payable by the company on the whole of such total income shall be reduced by an amount which bears to that super-tax the same proportion as the amount of such inclusion bears to its total income or by an amount computed at the rate of—

(i) two annas in the rupee in the case of a mutual insurance company as defined in section 95 of the Insurance Act, 1938 (IV of 1938), and

(ii) one-and-a-half annas in the rupee in the case of any other company,

on the amount of such inclusion, whichever is less;

(b) where the total income of an assessee, not being a company, includes any profits and gains from life insurance business, the income-tax and super-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of such taxes payable on his total income according to the rates applicable under the operation of the Indian Finance Act, 1942 (XII of 1942), increased in respect of each such rate by one-twentieth thereof, the same proportion as the amount of such inclusion bears to his total income, so however that the aggregate of the taxes so computed in respect of such inclusion shall not in any case exceed the amount of tax payable on such inclusion at the rate of five annas in the rupee.

(5) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, but with reference to the rates imposed by sub-section (1), and in accordance, where applicable, with the provisions of sub-sections (2), (3) and (4) of this section.

(6) For the purposes of making any deduction of income-tax in the year beginning on the 1st day of April, 1955, under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act, from any earned income chargeable under the head "salaries", the estimated total income of the assessee under that head shall, in computing the income-tax to be deducted, be reduced—

(i) where such earned income does not exceed twenty-five thousand rupees, by an amount equal to one-fifth of such earned income but not exceeding in any case four thousand rupees;

(ii) where such earned income exceeds twenty-five thousand rupees, by the amount, if any, arrived at after deducting from four thousand rupees one-fifth of such excess;

but no abatement shall be allowed by the person responsible for paying the salary in respect of any donations made by the assessee to which section 15B of the Income-tax Act is or may be applicable.

(7) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. Amendment of section 2, Act XI of 1822.—In section 2 of the Income-tax Act,—

(1) after clause (5A), the following clause shall be inserted, namely:—

"(5B) 'co-operative society' means a co-operative society registered under the Co-operative Societies Act, 1912 (II of 1912) or under any other law for the time being in force in any State for the registration of co-operative societies.";

(2) in clause (6A),—

(i) in sub-clause (b), for the words "or debenture-stock", the words "debenture-stock or deposit certificates in any form, whether with or without interest." shall be substituted;

(ii) in sub-clause (c), the proviso and the word "and" at the end thereof shall be omitted;

(iii) for the two provisos occurring after sub-clause (d), the following shall be substituted, namely:—

"(e) any payment by a company, not being a company in which the public are substantially interested within the meaning of section 23A, of any sum (whether as representing a part of the assets of the company

or otherwise) by way of advance or loan to a shareholder or any payment by any such company on behalf or for the individual benefit of a shareholder, to the extent to which the company in either case possesses accumulated profits;

but 'dividend' does not include—

(i) a distribution made in accordance with sub-clause (c) or sub-clause (d) in respect of any share issued for full cash consideration where the holder of the share is not entitled in the event of liquidation to participate in the surplus assets;

(ii) any dividend paid by a company which it set off by the company against the whole or any part of any sum previously paid by it and treated as a dividend within the meaning of clause (e), to the extent to which it is so set off.

Explanation.—The expression "accumulated profits" wherever it occurs in this clause, shall not include capital gains arising before the 1st day of April, 1946, or after the 31st day of March, 1948.";

(3) for clause (6C), the following clause shall be substituted, namely:—

"(6C) 'income' includes—

(i) dividend;

(ii) the value of any perquisite or profit in lieu of salary taxable under section 7;

(iii) the value of any benefit or perquisite, whether convertible into money or not obtained from a company either by a director or by any other person who has a substantial interest in the company (that is to say, who is concerned in the management of the business of the company, being the beneficial owner of shares, not being shares entitled to a fixed rate of dividend whether with or without a right to participate in profits, carrying not less than twenty per cent. of the voting power), and any sum paid by any such company in respect of any obligation which but for such payment would have been payable by the director or other person aforesaid;

(iv) any sum deemed to be profits under the second proviso to clause (vii) of sub-section (2) of section 10, and any sum deemed to be profits and gains under sub-section (2A) of that section or under sub-section (5) of section 12;

(v) any sum deemed to be profits and gains of business, profession or vocation under sub-section (5A) of section 10;

(vi) any capital gain chargeable under section 12B,

(vii) the profits and gains of any business of insurance carried on by a mutual insurance association or by a co-operative society computed in accordance with rule 9 in the Schedule;";

(4) after clause (8), the following clause shall be inserted, namely:—

"(8A) 'manager' and 'managing agent' have the meanings respectively assigned to them in the Indian Companies Act, 1913 (VII of 1913).

4. Amendment of section 4, Act XI of 1922.—In section 4 of the Income-tax Act,—

(a) in the fifth proviso to sub-section (1), for clauses (i), (ii) and (iii), the following clauses shall be substituted, namely:—

"(i) such income, profits and gains are brought into or received in the taxable territories after the 2nd day of September, 1951, and the amount of income-tax, interest or penalty or other sum, if any, due from such person under this Act on the date of receipt of such income, profits and gains in the taxable territories is paid within three months of the receipt thereof in the taxable territories; and

(ii) in any case where such income, profits and gains are brought into or received in the taxable territories after the 2nd day of September, 1951, and before the 30th day of September, 1954, half of the amount of such income, profits and gains is invested within three months of the receipt thereof in the taxable territories in securities of the Central Government or of a State Government purchased through the Reserve Bank of India and kept with the said Bank for custody for a minimum period of two years.";

(b) in sub-section (3),—

(1) for paragraph (a) of the proviso to clause (i), the following shall be substituted, namely:—

"(a) if it is applied to religious or charitable purposes without the taxable territories, but in the following cases, namely:—

(i) where the property is held under trust or other legal obligation created before the commencement of the Indian Income-tax (Amendment) Act, 1953 (25 of 1953) and the income therefrom is applied to such purposes without the taxable territories; and

(ii) where the property is held under trust or other legal obligation created after such commencement, and the income therefrom is applied without the taxable territories to charitable purposes which tend to promote international welfare in which India is interested,

the Central Board of Revenue may, by general or special order, direct that it shall not be included in the total income;";

(2) for clause (vi), the following clause shall be substituted, namely:—

"(vi) Any special allowance or benefit, not being in the nature of an entertainment allowance and not being a perquisite within the meaning of sub-section (1) of section 7, specifically granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit, to the extent to which such expenses are actually incurred for that purpose.";

(3) after clause (xiv), the following clause shall be inserted, namely:—

"(xiva) Any income chargeable under the head "salaries" received by or due to any person, not being a citizen of India, during the financial year in which he arrived in India and the financial year next following as remuneration for services rendered by him as a technician in any business carried on in India in any case where such person was not resident therein in any of the four financial years immediately preceding the financial year in which he arrived in India:

Provided that where during the financial year of arrival and the year next following, such person has been in India for a period of, or for periods amounting in all to, three hundred and sixty five days or more, only so much of the income aforesaid as is received by or due to him during the financial year in which he arrived in India shall not be included in his total income.";

(4) for clause (xvii), the following clauses shall be substituted, namely:—

"(xvii) Interest on the $3\frac{1}{2}$ per cent. 10 year Treasury Savings Deposit Certificates or the monthly payments on the 15 Year Annuity Certificates issued by or under the authority of the Central Government for an amount not exceeding the maximum amount which is permitted to be invested therein;

(xviii) Interest on deposits in Post Office Savings Bank, Post Office Cash Certificates, Post Office National Savings Certificates and Post Office 10 Years National Plan Certificates for amounts not exceeding in each case the maximum amount which is permitted to be deposited or invested therein.";

(5) after clause (xx), the following clauses shall be inserted, namely:—

"(xxi) Any income of a member of a Scheduled Tribe, as defined in clause (25) of article 366 of the Constitution, residing in any area specified in Part A or Part B of the table appended to paragraph 20 of the

Sixth Schedule to the Constitution, provided that such member is not in the service of Government;

(xxii) Any payment made, whether in cash or in-kind, by the Central Government or any State Government in pursuance of gallantry awards instituted or approved by the Central Government."

5. Amendment of section 7, Act XI of 1922.—In sub-section (1) of section 7 of the Income-tax Act,—

(1) for the words "whether paid or not, or are paid by or on behalf of", the words "whether paid or allowed or not or are paid or allowed by or on behalf of" shall be substituted;

(2) to the first proviso, the words "or in respect of any sum not exceeding five hundred rupees expended by him on the purchase of books and other publications necessary for the purpose of his duties:" shall be added at the end;

(3) for *Explanation 1*, the following *Explanation* shall be substituted, namely:—

Explanation 1.—For the purposes of this section, 'perquisite' includes—

(i) the right of an assessee to occupy free of rent as a place of residence any premises provided by his employer;

(ii) the value of any benefit or amenity granted or provided by a company free of cost or at concessional rate to an employee who is a director thereof or who is substantially interested in the company within the meaning of sub-clause (iii) of clause (6C) of section 2;

(iii) the value of any benefit or amenity granted or provided to an assessee [not being an assessee to whom the provisions of clause (ii) apply] by his employer free of cost or at concessional rate in any case where the income of the assessee under the head "salaries" exclusive of the value of all benefits or amenities not provided for by way of monetary payment exceeds eighteen thousand rupees;

(iv) any sum paid by the employer in respect of any obligation which but for such payment would have been payable by the assessee; and

(v) any sum payable by the employer, whether directly or through a fund to which the provisions of Chapters IXA and IXB do not apply, to effect an assurance on the life of the assessee or in respect of a contract for an annuity on the life of the assessee.";

(4) In *Explanation 2*, for the words beginning with "A payment due to" and ending with the words "not by way of remuneration for past services:", the following shall be substituted, namely:—

"For the purposes of this section, 'profits in lieu of salary' includes,—

(i) the amount of any compensation due to or received by an assessee from his employer or former

employer at or in connection with, the termination of his employment or for any other consideration;

(ii) any payment due to or received by an assessee from an employer or former employer or from a provident or other fund, to the extent to which it does not consist of contributions by the assessee or interest on such contributions.”.

6. Amendment of section 8, Act XI of 1922.—In the first proviso to section 8 of the Income-tax Act, for the words “in respect of any sum deducted from such interest by way of commission by a banker realizing such interest on behalf of the assessee”, the words “in respect of any reasonable sum deducted by a banker from such interest by way of commission or paid to any other person by way of remuneration for realizing such interest on behalf of the assessee” shall be substituted.

7. Amendment of section 9, Act XI of 1922.—In section 9 of the Income-tax Act,—

(1) for the first proviso to sub-section (2), the following proviso shall be substituted, namely:—

“Provided that, where the property is in the occupation of the owner for the purposes of his own residence, the annual value thereof shall first be determined in the same manner as if the property had been let to a tenant and the amount so determined shall be reduced by one-half of it or eighteen hundred rupees, whichever is less, so however that where the sum so reduced exceeds ten per cent. of the total income of the owner, the annual value of the property shall be deemed to be ten per cent. of such total income;”;

(2) in clause (a) of the third proviso to sub-section (2), the words “or one-eighth of the annual value of the property, whichever is less”, shall be omitted;

(3) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) For the purposes of this section—

(a) the holder of an imitable estate shall be deemed to be the individual owner of all the properties comprised in the estate;

(b) a member of a co-operative society to whom a building built by the society is allotted or leased under a house-building scheme of the society shall be deemed to be the owner of that building.”

8. Amendment of section 10, Act XI of 1922.—In section 10 of the Income-tax Act,—

in sub-section (2),—

(i) in clause (vi),—

(a) for the words “or the machinery or plant being new has been installed”, the words “or the machinery or

plant being new, not being machinery or plant entitled to the development rebate under clause (vib), has been installed," shall be substituted;

(b) in paragraph (c) of the proviso, for the words "the aggregate of all such allowances made under this Act or any Act repealed hereby", the words "the aggregate of all allowances in respect of depreciation made under this clause and clause (via) or under any Act repealed hereby," shall be substituted;

(ii) the proviso to clause (via) shall be omitted;

(iii) after clause (via), the following clause shall be inserted, namely:—

"(vib) in respect of machinery or plant being new, which has been installed after the 31st day of March, 1954, and which is wholly used for the purposes of the business carried on by the assessee, a sum by way of development rebate in respect of the year of installation equivalent to twenty-five per cent. of the actual cost of such machinery or plant to the assessee:

Provided that no allowance under this clause shall be made unless the particulars prescribed for the purpose of clause (vi) have been furnished by the assessee in respect of such machinery or plant.";

(iv) For clause (xiii), the following clause shall be substituted, namely:—

"(xiii) Any sum paid to a scientific research association having as its objects the undertaking of scientific research related to the class of business carried on, and any sum paid to a university, college or other institution to be used for scientific research, research in social science or statistical research related to the class of business carried on:

Provided that such association, university, college or institution is for the time being approved for the purposes of this clause by the prescribed authority.";

(2) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) Where for the purpose of computing profits or gains under this section, an allowance or deduction has been made in the assessment for any year in respect of any loss, expenditure or trading liability incurred by the assessee and subsequently during any previous year, the assessee has received, whether in cash or in any other manner whatsoever, any amount in respect of such loss or expenditure or has obtained some benefit in respect of such trading liability by way of remission or cessation thereof, the amount received by him or the value of the benefit accruing to him shall be deemed to be profits and gains of business, profession or vocation and to have accrued or arisen during that previous year."

(3) In sub-section (5), after the proviso to clause (a), the following further proviso shall be inserted, namely:—

“Provided further that where before the date of acquisition by the assessee, the assets, which belonged to the assessee and had been used by him for the purposes of his business, profession or vocation, had ceased to be his property by reason of transfer or otherwise, the actual cost to the assessee shall be the actual cost to him when he first acquired the assets less all depreciation actually allowed to him under this Act or under any Act repealed hereby or under executive orders issued when the Indian Income-tax Act, 1886 (II of 1886), was in force.”;

(4) after sub-section (5), the following sub-section shall be inserted, namely:—

“(5A) any compensation or other payment due to or received by,—

(a) a managing agent of an Indian Company at or in connection with the termination or modification of his managing agency agreement with the company;

(b) a manager of an Indian Company at or in connection with the termination of his office or modification of the terms and conditions relating thereto;

(c) any person, by whatever name called, managing the whole or substantially the whole affairs of any other company in the taxable territories, at or in connection with the termination of his office or the modification of the terms and conditions relating thereto;

(d) any person, by whatever name called, holding an agency in the taxable territories for any part of the activities relating to the business of any other person, at or in connection with the termination of his agency or the modification of the terms and conditions relating thereto,

shall be deemed to be profits and gains of a business carried on by the managing agent, manager or other person, as the case may be, and shall be liable to tax accordingly; and the tax on such compensation or other payment shall, if the assessee so elects, be computed at the average of the rates of income-tax and super-tax applicable to his total income for the three years immediately preceding the previous year in which the compensation or other payment was due or received.”

9. Amendment of section 12. Act XI of 1922.—In section 12 of the Income-tax Act,—

(1) in sub-section (2), after the words “for the purpose of making or earning such income, profits or gains”, the words “and further in the case of any income by way of dividend, for any reasonable sum paid by way of commission or remuneration to a banker or any other person realising such dividend on behalf of the assessee” shall be inserted;

(2) after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) The provisions of sub-section (2A) of section 10 shall apply, so far as may be, in computing income, profits and gains of an assessee under this section as they apply in computing profits or gains of an assessee under that section.”

10. Amendment of section 14, Act XI of 1922.—In section 14 of the Income-tax Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(3) The tax shall not be payable by a co-operative society, including a co-operative society carrying on the business of banking—

(i) in respect of profits and gains of business carried on by it;

(ii) in respect of interest and dividends derived from its investments with any other co-operative society;

(iii) in respect of any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities;

(iv) in respect of any interest on securities chargeable under section 8 or any income from property chargeable under section 9, where the total income of such society does not exceed twenty thousand rupees and the society is not a housing society or an urban consumers' society or a society carrying on transport business:

Provided that nothing contained in this sub-section shall apply to—

(i) the Sanikatta Saltowners' Society in the State of Bombay;

(ii) a co-operative society carrying on insurance business in respect of the profits and gains of that business computed in accordance with rule 9 in the Schedule.

Explanation.—For the purposes of this sub-section, an “urban consumers' co-operative society” means a society for the benefit of consumers within the limits of a municipal corporation, municipality, municipal committee, notified area committee, town area or cantonment.

(4) The tax shall not be payable by an assessee, who is a member of a co-operative society, in respect of any dividends received by him from the society.

(5) The tax shall not be payable by an assessee, which is an authority constituted under any law for the time being in force for the marketing of commodities, in respect of any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities”

11. Amendment of section 15, Act XI of 1922.—In sub-section (3) of section 15 of the Income-tax Act, for the words “exceed in the

case of an individual, one-sixth of the total income of the assessee or six thousand rupees, whichever is less, and in the case of a Hindu undivided family, one-sixth of the total income of the assessee or twelve thousand rupees, whichever is less", the following shall be substituted, namely:—

"exceed in the case of an individual, one-fifth of the total income of the assessee or eight thousand rupees, whichever is less, and in the case of a Hindu undivided family, one-fifth of the total income of the assessee or sixteen thousand rupees, whichever is less."

12. Amendment of section 15C, Act XI of 1922.—In sub-section (5) of section 15C of the Income-tax Act, the words "and for the purposes of that section, expression 'assessable income' shall be deemed to include the profits or gains in respect of which the tax is not payable under this section" shall be omitted.

13. Amendment of section 16, Act XI of 1922.—In sub-section (1) of section 16 of the Income-tax Act, in clause (a), for the words, figures and brackets "sub-section (2) of section 14", the words, figures and brackets "sub-sections (2), (3), (4) and (5) of section 14" shall be substituted.

14. Amendment of section 18A, Act XI of 1922.—In sub-section (5) of section 18A of the Income-tax Act, for the words "The Central Government shall pay on any amount paid under this section simple interest at two per cent. per annum from the date of payment", the following shall be substituted, namely:—

"The Central Government shall pay simple interest—

(i) at two per cent. per annum on any amount payable in accordance with the provisions of this section before the 1st day of April, 1955, and paid accordingly:—

(ii) at four per cent. per annum on any amount payable in accordance with the provisions of this section after the 1st day of April, 1955, and paid accordingly;

from the date of payment".

15. Amendment of section 23A, Act XI of 1922.—For section 23A of the Income-tax Act, the following section shall be substituted, namely:—

"23A. Power to assess companies to super-tax on undistributable income in certain cases.—(1) Where the Income-tax Officer is satisfied that in respect of any previous year the profits and gains distributed as dividends by any company within the twelve months immediately following the expiry of that previous year are less than sixty per cent. of the total income of the company of that previous year as reduced by—

(a) the amount of income-tax and super-tax payable by the company in respect of its total income, but excluding the amount of any super-tax payable under this section;

(b) the amount of any other tax levied under any law for the time being in force on the company by the Government or by a local authority in excess of the amount, if any, which has been allowed in computing the total income; and

(c) in the case of a banking company, the amount actually transferred to a reserve fund under section 17 of the Banking Companies Act, 1949 (X of 1949);

the Income-tax Officer shall, unless he is satisfied that, having regard to losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable, make, with the previous approval of the Inspecting Assistant Commissioner, an order in writing that the company shall, apart from the sum determined as payable by it on the basis of the assessment under section 23, be liable to pay super-tax at the rate of four annas in the rupee on the undistributed balance of the total income of the previous year, that is to say, on the total income reduced by the amounts, if any, referred to in clause (a), clause (b), or clause (c) and the dividends actually distributed, if any:

Provided that—

(a) in the case of a company whose income is derived mainly from investments or from dealings in investments, and

(b) in the case of any other company where the reserves representing accumulations of past profits which have not been the subject of an order under this sub-section, exceed either the aggregate of—

(i) the paid up capital of the company exclusive of the capital, if any, created out of its profits and gains which have not been the subject of an order under this sub-section, and

(ii) any loan capital which is the property of the shareholders,

or the actual cost of the fixed assets of the company, whichever of these is greater,

this section shall apply as if for the words, "sixty per cent. of the total income", wherever they occur, the words "the whole of the total income" had been substituted.

(2) No order under sub-section (1) shall be made—

(i) in the case of a company referred to in clause (a) of the proviso to that sub-section, which has distributed not less than ninety per cent. of its total income as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) of that sub-section, or

(ii) in the case of any other company which has distributed not less than fiftyfive per cent. of its total income as reduced by the amounts, if any, aforesaid, or

(iii) in any case where according to the return made by a company under section 22, it has distributed not less than sixty per cent. of its total income as reduced by the amounts, if any, aforesaid, but in the assessment made by the Income-tax Officer under section 23 a higher total income is arrived

at, and the difference in the total income does not arise out of the application of the proviso to section 13 or sub-section (4) of section 23 or the omission by the company to disclose its total income fully and truly,

unless the company, on receipt of a notice from the Income-tax Officer that he proposes to make such an order, fails to make within three months of the receipt of such notice a further distribution of its profits and gains so that the total distribution made is not less than sixty per cent. of the total income of the company of the relevant previous year as reduced by the amounts, if any, aforesaid.

(3) Where in respect of any one or more of the three previous years immediately preceding the previous year, the profits and gains distributed as dividends by a company are in excess of sixty per cent. of its total income of the relevant previous year as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) of sub-section (1), but in respect of the previous year the profits and gains distributed as dividends by it are less than sixty per cent. of its total income similarly reduced, so much of the said excess, if any, as has not been adjusted under this sub-section in a preceding year, shall be taken into account in determining whether an order under sub-section (1) should be made in respect of the previous year.

(4) The provisions of sub-section (3) shall apply to the profits and gains of a previous year not earlier than the previous year relevant to the assessment year ending on the 31st day of March, 1957, but in the application of that sub-section to the profits and gains of the previous year relevant to the assessment year ending on the 31st day of March, 1957, that sub-section shall be construed as if for the word "three" the word "one" had been substituted, and in its application to the profits and gains of the previous year relevant to the assessment year ending on the 31st day of March, 1958, as if for the word "three" the word "two" had been substituted.

(5) The Inspecting Assistant Commissioner shall not give his approval to any order proposed to be made by the Income-tax Officer under this section until he has given the company concerned an opportunity of being heard.

(6) Nothing contained in this section shall apply to any company in which the public are substantially interested or to a subsidiary company of such company if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year.

Explanation.—For the purposes of this section, a company shall be deemed to be a company in which the public are substantially interested if it is not a private company as defined in the Indian Companies Act, 1913 (VII of 1913), and

(i) its shares (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) carrying not less than fifty per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and were throughout the previous

year beneficially held by the public (not including a company to which the provisions of this sub-section apply);

(ii) the said shares were at any time during the previous year the subject of dealings in any recognised stock exchange in India or were freely transferable by the holder to other members of the public; and

(iii) the affairs of the company or the shares carrying more than fifty per cent. of the total voting power were at no time during the previous year controlled or held by less than six persons (persons who are related to one another as husband, wife, lineal ascendant or descendant, brother or sister, as the case may be, being treated as a single person and persons who are nominees of another person together with that other person being likewise treated as a single person)."

16. Amendment of section 24, Act, XI of 1922.—In sub-section (2) of section 24 of the Income-tax Act,—

(1) for the words beginning with "Where any assessee sustains a loss or profits" and ending with "three, four and five years, respectively", the following shall be substituted, namely:—

"Where any assessee sustains a loss of profits or gains in any year, being a previous year not earlier than the previous year for the assessment for the year ending on the 31st day of March, 1940, in any business, profession or vocation, and the loss cannot be wholly set off under sub-section (1), so much of the loss as is not so set off or the whole loss where the assessee had no other head of income shall be carried forward to the following year, and

(i) where the loss was sustained by him in a business consisting of speculative transactions, it shall be set off only against the profits and gains, if any, of any business in speculative transactions carried on by him in that year:

(ii) where the loss was sustained by him in any other business, profession or vocation, it shall be set off against the profits and gains, if any, of any business, profession or vocation carried on by him in that year: provided that the business, profession or vocation in which the loss was originally sustained continued to be carried on by him in that year; and

(iii) if the loss in either case cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following year and so on:";

(2) after clause (e) of the proviso, the following clause shall be inserted, namely:—

"(f) A loss arising in the previous years for the assessment for the years ending on the 31st day of March of the years 1940, 1941, 1942, 1943 and 1944 shall be carried forward for one, two, three, four and five years respectively, and a loss arising in the previous years for the assessment for the years ending on the 31st day of March of the years 1945, 1946, 1947, 1948 and 1949 shall be carried forward for six

years, and such loss shall be set off only against the profits and gains, if any, of the assessee from the same business, profession or vocation."

17. Amendment of section 56A, Act XI of 1922.—In sub-section (1) of section 56A of the Income-tax Act, in clause (i) after item (10), the following shall be inserted namely:—

- "(11) Automobiles;
- (12) Tractors;
- (13) Cement;
- (14) Electric Motors;
- (15) Locomotives;
- (16) Rolling Stock;
- (17) Machine Tools;
- (18) Agricultural Implements;
- (19) Ferro-manganese;
- (20) Dye-stuffs."

18. Amendment of section 60A, Act XI of 1922.—In section 60A of the Income-tax Act,—

(1) for the words "or to any Part B State", the words "or to any Part B State or to Chandernagore" shall be substituted;

(2) in the proviso, for the words "and in the case of the State of Jammu and Kashmir", the words "and in the case of the State of Jammu and Kashmir and Chandernagore" shall be substituted.

19. Amendment of Schedule, Act XI of 1922.—In rule 9 of the Schedule to the Income-tax Act, the words "or by a co-operative society" shall be added at the end.

20. Commencement of amendments to Act XI of 1922.—(1) Save as otherwise expressly provided in this section, the amendments to the Income-tax Act made by sections 3 to 19 shall have effect on and from the 1st day of April, 1955.

(2) The amendments made in the Income-tax Act by sub-section (5) of section 4 and sub-section (3) of section 8 shall also apply in relation to assessments for any year before the 1st day of April, 1955, whether such assessments have been completed or not.

(3) For the removal of doubts, it is hereby declared that the provisions of section 23A of the Income-tax Act, as in force immediately before the 1st day of April, 1955 shall continue to apply to a company in respect of its profits and gains of a previous year relevant to any assessment year prior to the assessment year ending on the 31st day of March, 1956, and also to its share-holders referred to in sub-section (1) of section 23A as then in force in respect of their appropriate previous years, notwithstanding that the relevant assessment years in respect of such previous years end on or after the 31st day of March, 1956.

21. Amendment of Act XXXII of 1934.—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Second Schedule.

22. Additional duties of Customs.—When any goods chargeable with a duty of Customs under the First Schedule to the Tariff Act, or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall, up to the 31st day of March, 1956, be levied and collected as an addition to, and in the same manner as, the total amount so chargeable—

(a) a sum equal to 155 per cent. of such amount, in the case of goods comprised in Item No. 22(4);

(b) a sum equal to 55 per cent. of such amount, in the case of goods comprised in Items Nos. 48 and 51(2), and in the case of textile manufactures specified in Item No. 49 when made wholly or mainly of any of the fabrics specified in Items Nos. 48, 48(1), 48(4), 48(5), 48(7) or 48(10);

(c) a sum equal to 45 per cent. of such amount, in the case of goods comprised in Item No. 47(2);

(d) a sum equal to 25 per cent. of such amount, in the case of goods comprised in any of the Items of the said Schedule other than those specified in clauses (a), (b) and (c) of this section or in the Third or the Fourth Scheduled to this Act; and

(e) a sum equal to 5 per cent. of such amount, in the case of goods comprised in any of the Items of the said Schedule specified in the Fourth Schedule to this Act.

23. Amendment of Act I of 1949.—In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1955", the figures "1956" shall be substituted.

24. Substitution of new section for section 4 in Act I of 1944.—In section 4 of the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), the following section shall be substituted, namely:—

"4. Determination of value for the purposes of duty.—Where under this Act, any article is chargeable with duty at a rate dependent on the value of the article, such value shall be deemed to be—

(a) the wholesale cash price for which an article of the like kind and quality is sold or is capable of being sold at the time of the removal of the article chargeable with duty from the factory or any other premises of manufacture or production for delivery at the place of manufacture or production, or if a wholesale market does not exist for such article at such place, at the nearest place where such market exists, or

(b) where such price is not ascertainable, the price at which an article of the like kind and quality is sold or is capable of being sold by the manufacturer or producer, or his agent, at the time of the removal of the article chargeable with duty from such factory or other premises for delivery at the place of manufacture or production, or if such article is not sold or is not capable of being sold at such place, at any other place nearest thereto.

Explanation.—In determining the price of any article under this section, no abatement or deduction shall be allowed except in respect of trade discount and the amount of duty payable at the time of the removal of the article chargeable with duty from the factory or other premises aforesaid."

25. Amendment of First Schedule, Act I of 1944.—In the First Schedule to the Central Excises Act,—

(I) in Item No. 2,—

(a) for sub-items 1(ii) and 1(iii), the following sub-items shall be substituted, namely:—

“(ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day.”	Two rupees and thirteen annas per gross of boxes.
“(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day.”	Two rupees and ten annas per gross of boxes.
“(iv) does not exceed twenty-five gross of boxes per day.”	Two rupees and seven annas per gross of boxes.”

(b) for sub-items 2 (ii) and 2 (iii), the following sub-items shall be substituted, namely :—

“(ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day.”	One rupee and fourteen annas per gross of boxes.
“(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day.”	One rupee and twelve annas per gross of boxes.
“(iv) does not exceed twenty-five gross of boxes per day.”	One rupee and ten annas per gross of boxes.”

(II) in Item No. 8, for the entry in the last column against sub-item (i) the following entry shall be substituted, namely :—

“Five rupees and ten annas per cwt.”

(III) in Item No. 9, for sub-item II (2), the following shall be substituted namely :—

“(2) Cigarettes of which the value---	Per thousand.
(i) exceeds Rs. 50 a thousand.	Twenty-one rupees and eight annas.
(ii) exceeds Rs. 35 a thousand, but does not exceed Rs. 50 a thousand.	Nineteen rupees.
(iii) exceeds Rs. 30 a thousand, but does not exceed Rs. 35 a thousand.	Ten rupees and eight annas.
(iv) exceeds Rs. 25 a thousand, but does not exceed Rs. 30 a thousand.	Nine rupees and eight annas.
(v) exceeds Rs. 20 a thousand, but does not exceed Rs. 30 a thousand.	Six rupees and eight annas.

- (vi) exceeds Rs. 15 a thousand, but does not exceed Rs. 20 a thousand. Five rupees and eight annas;
- (vii) exceeds Rs. 10 a thousand, but does not exceed Rs. 15 a thousand. Two rupees and twelve annas.
- (viii) exceeds Rs. 7/8/- a thousand, but does not exceed Rs. 10 a thousand. One rupee and eight annas.
- (ix) does not exceed Rs. 7/8/- a thousand. One rupee.”;

IV for Item No. 12, the following Item shall be substituted, namely:—

“12. COTTON FABRICS—

“Cotton fabrics” mean all varieties of fabrics manufactured either wholly or partly from cotton, and include dhoties, sarees, chadars, bed-sheets, bed-spreads, counterpanes and table-cloths, but do not include any such fabric—

- (a) if it contains 40 per cent, or more by weight of wool;
- (b) if it contains 60 per cent, or more by weight of rayon or artificial silk; or
- (c) if manufactured on a handloom.

(1) Cotton fabrics, superfine—

that is to say, fabrics in which the average count of yarn is 48s or more. Two annas and six pies per square yard.

(2) Cotton fabrics not otherwise specified. One anna per square yard.

Explanation I.—“Count” means count of grey yarn.

Explanation II.—For the purpose of determining the average count of yarn, the following rules shall apply, namely:—

(a) Yarn used in the borders or selvedges shall be ignored.

(b) For multiple-fold yarn, the count of the basic single yarn shall be taken and the number of ends per inch in the reed or the number of picks per inch, as the case may be, shall be multiplied by the number of plies in the yarn.

(c) The average count shall be obtained by applying the following formula, namely:—

“(Count of warp × number of ends per inch in the reed) + (Count of weft × number of picks per inch)

(Number of ends per inch in the reed) + (Number of picks per inch),

the result being rounded off, wherever necessary, by treating any fraction which is one-half or more as one, and disregarding any fraction which is less than one-half.”

Explanation III.—For the purposes of this Item, “staple fibre” shall not be deemed to be rayon or artificial silk.”;

V for Item No. 12A, the following Item shall be substituted, namely:—

"12A. RAYON OR ARTIFICIAL SILK FABRICS—

"Rayon or Artificial Silk Fabrics" include all Six pies per square varieties of fabrics manufactured either yard, wholly or partly from rayon or artificial but do not include any such fabric—

- (i) if it contains 40 per cent. or more by weight of wool ;
- (ii) if it contains cotton and less than 60 per cent by weight of rayon or artificial silk.
- (iii) if it contains no cotton and less than 40 per cent. by weight of wool and less than 40 per cent. by weight of rayon or artificial silk ;
- (iv) if manufactured on a handloom ;
- (v) if manufactured by or on behalf of the same person in one or more factories in which less than twenty-five powerlooms in all are installed.

Explanation.—For the purposes of this Item, "staple fibre" shall not be deemed to be rayon or artificial silk.";

VI after Item No. 12A, the following Item shall be inserted namely :—

"12B. WOOLLEN FABRICS—

"Woollen fabrics" mean all varieties of fabrics manufactured wholly of wool or which contain 40 per cent. or more by weight of wool, and include blankets, lohis, rugs and shawls, but do not include any such fabric if manufactured on a handloom.

VII for Item No. 16 the following Item shall be substituted namely :—

"16. SOAP , that is to say, all varieties of the product known commercially as soap, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power, including steam for heating.

(1) Soap, household and laundry, manufactured in any factory whose output of such soap exceeds one hundred and twenty-five tons per year—

- (a) in plain bars of not less than one pound in weight. Rupees five and annas four per cwt.
- (b) other sorts . . . Rupees six and annas two per cwt.

(2) Soap, toilet, manufactured in any factory whose output of such soap exceeds fifty tons per year. Rupees fourteen per cwt.

(3) Soap not otherwise specified . . . Rupees fourteen per cwt.;

VIII after Item No. 17, the following Items shall be inserted, namely :—

“18. ELECTRIC FANS, including air circulators but excluding those which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose. Ten per cent. *ad valorem.*

19. ELECTRIC LIGHTING BULBS AND FLOURESCENT LIGHTING TUBES . . . Ten per cent. *ad valorem.*

20. ELECTRIC BATTERIES—

(i) dry Ten per cent. *ad valorem.*

(ii) storage Ten per cent. *ad valorem.*

21. PAPER, all sorts, including pasteboard, mill-board, cardboard and strawboard, but excluding newsprint, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power. Ten per cent. *ad valorem.*

22. SEWING MACHINES worked by manual labour or which require for their operation less than one-quarter of one brake-horse-power, and parts of such sewing machines. Ten per cent. *ad valorem.*

23. PAINTS AND VARNISHES, all sorts, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power. Ten per cent. *ad valorem.”*

26. Certain duties of excise to apply to excisable goods lying in factories on 1st March, 1955.—The amendment made by clauses (vi) and (viii) of section 25 in the First Schedule to the Central Excises Act, shall apply to the excisable goods specified therein which are lying on the 1st day of March, 1955, within the precincts of any factory or other premises where the said goods were manufactured or produced or in any premises appurtenant thereto, as they apply to such goods manufactured or produced on or after the said date.

27. Additional duties of excise.—When any goods chargeable with a duty of excise under the First Schedule to the Central Excises Act are assessed to duty, there shall, up to the 31st day of March, 1956, be levied and collected, as an addition to, and in the same manner as, the total amount so chargeable, a surcharge of five per cent. of such amount on motor spirit as defined in Item No. 4 of that Schedule.

28. Amendment of Act 12 of 1953.—In section 2 of the Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953, for clause (b), the following clause shall be substituted, namely:—

“(b) ‘cloth’ means cotton, woollen and rayon or artificial silk fabrics, as defined in the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944)”.

29. Discontinuance of salt duty.—(1) For the year beginning on the 1st day of April, 1955, no duty under the Central Excises Act or the Tariff Act shall be levied in respect of salt manufactured in or imported by sea or land into India.

(2) In section 8 of the Finance Act, 1953 (14 of 1953) and in section 12 of the Finance Act, 1954 (17 of 1954), for the words “no duty”, the words and figures “no duty under the Central Excises and Salt Act, 1944, or the Indian Tariff Act, 1934” shall be substituted and shall be deemed always to have been substituted.

*Declaration under the Provisional Collection of Taxes Act, 1931
(XVI of 1931)*

It is hereby declared that it is expedient in the public interest that the provisions of clauses 21, 22, 23, 25, 26, 27 and 28 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

THE FIRST SCHEDULE

(See section 2)

Part I

Rates of Income-tax

A. (i) In the case of every individual who is married and every Hindu undivided family,—

		Rate	Surcharge
1.	On the first Rs. 2,000 of total income	Nil	Nil
2.	On the next Rs. 3,000 of total income	Nine pies in the rupee.	One-twentieth of the rate specified in the preceding column.
3.	On the next Rs. 2,500 of total income	One anna and nine pies in the rupee.	Ditto.
4.	On the next Rs. 2,500 of total income	Two annas and three pies in the rupee.	Ditto.
5.	On the next Rs. 5,000 of total income	Three annas and three pies in the rupee.	Ditto.
6.	On the balance of total income	Four annas in the rupee.	Ditto.

(ii) in the case of every individual who is not married and every unregistered firm or other association of persons, not being a case to which paragraph B or paragraph C of this Part applies,—

	Rate	Surcharge
1. On the first Rs. 1,000 of total income	<i>Nil</i>	<i>Nil</i>
2. On the next Rs. 4,000 of total income	Nine pies in the rupee.	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 2,500 of total income	One anna and nine pies in the rupee.	Ditto.
4. On the next Rs. 2,500 of total income	Two annas and three pies in the rupee.	Ditto.
5. On the next Rs. 5,000 of total income	Three annas and three pies in the rupee.	Ditto.
6. On the balance of total income	Four annas in the rupee.	Ditto.

Provided that—

(i) no income-tax shall be payable on a total income which before deduction of the allowance, if any, for earned income does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds the said limit;

(iii) the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(a) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds the said limit the same proportion as such reduced total income bears to the unreduced total income, or

(b) the income-tax payable on the income so reduced at the rates herein specified, whichever is less.

The limit referred to in the above proviso shall be—

(i) in the case of every Hindu undivided family which as at the end of the previous year had—

	Rs.
(a) at least two members entitled to claim partition	8,400
(b) at least four members entitled to claim partition	12,600

Provided that in the case referred to in sub-clause (a) none of the members and in the case referred to in sub-clause (b) none of the minimum number of four members,—

(a) is less than eighteen years of age; or

(b) is lineally descended from another member or along with another member is lineally descended from any other living member of the family not entitled to claim partition, and

(ii) in every other case	Rs. 4,200:
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Provided further that—

(i) no surcharge shall be payable on a total income which before deduction of the allowance, if any, for earned income does not exceed the limit specified below;

(ii) the surcharge payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds the said limit.

The limit referred to in the above proviso shall be—

(i) in the case of every Hindu undivided family which satisfies the conditions laid down in the preceding proviso and had as at the end of the previous year—

	Rs.
(a) at least two members entitled to claim partition	14,400
(b) at least four members entitled to claim partition and	21,600
(ii) in every other case	7,200

Explanation.—For the purposes of this paragraph, in the case of every Hindu undivided family governed by the Mitakshara law, a son shall be deemed to be entitled to claim partition of the co-parcenary property against his father or grandfather, notwithstanding any custom to the contrary.

B. In the case of every company—

	Rate	Surcharge
On the whole of total income Four annas in the rupee.		One-twentieth of the rate specified in the preceding column:

Provided that in the case of a company which, in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1956, has made the prescribed arrangements for the declaration and payment within the territory of India, of the dividends payable out of such profits, and has deducted super-tax from the dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act—

(i) where the total income, as reduced by seven annas in the rupee and by the amount, if any, exempt from income-tax, exceeds the amount of any dividends (including dividends payable at a fixed rate) declared in respect of the whole or part of the previous year for the assessment for the year ending on the 31st day of March, 1956, and the company is a company to which

the provisions of section 23A of the Income-tax Act cannot be made applicable, a rebate shall be allowed at the rate of one anna per rupee on the amount of such excess;

(ii) where the amount of dividends referred to in clause (i) above exceeds the total income as reduced by seven annas in the rupee and by the amount, if any, exempt from income-tax, there shall be charged on the total income an additional income-tax equal to the sum, if any, by which the aggregate amount of income-tax actually borne by such excess (hereinafter referred to as "the excess dividend") falls short of the amount calculated at the rate of five annas per rupee on the excess dividend.

For the purposes of the above proviso, the expression "dividend" shall have the meaning assigned to it in clause (6A) of section 2 of the Income-tax Act, but any distribution included in that expression, made during the year ending on the 31st day of March, 1956, shall be deemed to be a dividend declared in respect of the whole or part of the previous year.

For the purposes of clause (ii) of the above proviso, the aggregate amount of income-tax actually borne by the excess dividend shall be determined as follows:—

(i) the excess dividend shall be deemed to be out of the whole or such portion of the undistributed profits of one or more years immediately preceding the previous year as would be just sufficient to cover the amount of the excess dividend and as have not likewise been taken into account to cover an excess dividend of a preceding year;

(ii) such portion of the excess dividend as is deemed to be out of the undistributed profits of each of the said years shall be deemed to have borne tax.—

(a) if an order had been made under sub-section (1) of section 23A of the Income-tax Act, in respect of the undistributed profits of that year, at the rate of five annas in the rupee, and

(b) in respect of any other year, at the rate applicable to the total income of the company, for that year reduced by the rate at which rebate, if any, was allowed on the undistributed profits.

C. In the case of every local authority and in every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate—

	Rate	Surcharge
On the whole of total income	Four annas in the rupee.	One-twentieth of the rate specified in the preceding column.

PART II

Rates of Super-tax

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other paragraph of this Part applies—

	Rate	Surcharge
1. On the first Rs. 20,000 of total income.	<i>Nil</i>	<i>Nil</i>
2. On the next Rs. 5,000 of total income	One anna in the rupee.	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 15,000 of total income.	Three annas in the rupee.	Ditto.
4. On the next Rs. 10,000 of total income.	Five annas in the rupee.	Ditto.
5. On the next Rs. 10,000 of total income.	Six annas in the rupee.	Ditto.
6. On the next Rs. 20,000 of total income.	Seven annas in the rupee.	Ditto.
7. On the next Rs. 20,000 of total income.	Eight annas in the rupee.	Ditto.
8. On the next Rs. 50,000 of total income.	Nine annas in the rupee.	Ditto.
9. On the balance of total income	Nine and a half annas in the rupee.	Ditto.

B. In the case of every local authority :—

	Rate	Surcharge
On the whole of total income	Two and a half annas in the rupee.	Three pies in the annas in the rupee.

C. In the case of an association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act (other than the Sanikat Saltowners' Society in the State of Bombay)—

	Rate	Surcharge
1. On the first Rs. 25,000 of total income.	<i>Nil</i>	<i>Nil</i>
2. On the balance of total income	Two and a half annas in the rupee.	Three pies in the annas in the rupee.

D. In the case of every company:—

Rate	
On the whole of total income	. Four annas and nine pies in the rupee :

Provided that—

(i) a rebate at the rate of three annas per rupee of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1956, has made the prescribed arrangements for the declaration and payment in India of the dividend payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act, and

(b) is a public company with total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of two annas per rupee of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b), of the preceding clause; and

(iii) a rebate at the rate of one anna and six pies per rupee on so much of the total income as consists of dividends from a subsidiary Indian company, and a rebate at the rate of six pies per rupee on any other income included in the total income shall be allowed in the case of any company which, not being entitled to a rebate under either of the preceding clauses, is—

(a) a public company, or

(b) a company all of whose shares were held at the end of the previous year by one or more public companies:

Provided further that the super-tax payable by a company the total income of which exceeds Rs. 25,000 shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000, and

(b) half the amount by which its total income exceeds Rs. 25,000.

Explanation.—For the purposes of this paragraph of this Part, a company shall be deemed to be a public company only if it is a company in which the public are substantially interested within the meaning of the Explanation to section 23A of the Income-tax Act.

THE SECOND SCHEDULE

(See section 21)

Part I

In the First Schedule to the Tariff Act,—

(a) In Item No. 28(8), in the entry in the second column, the words "calcium carbide" shall be omitted.

(b) In Items Nos. 30, 30(2), 30(11), 49(4) and 73(18), to each of the existing entries in the fourth and fifth columns, the words "plus the excise duty for the time being leviable on such articles if produced or manufactured in India" shall be added.

(c) In Items Nos. 30(3), 30(4), 44, 44(4), 48(2), 48(4), 48(5), 48(6), 49(a), 49(3), 60(2), 60(5), 72(11) and 73(15), to each of the existing entries in the fourth column the words "plus the excise duty for the time being leviable on such articles if produced or manufactured in India" shall be added.

(d) In Items Nos. 36(2), 37, 37(1), 38, 71(2) and 71(3), for the existing entries against each of them in the fourth column, the entry "66 $\frac{2}{3}$ per cent. *ad valorem*" shall be substituted.

(e) In Items Nos. 50(1) and 50(4), for the existing entries against each of them in the fourth column, the entry "31 $\frac{1}{4}$ per cent. *ad valorem*" shall be substituted, and in the third column, the entry "Revenue" shall be inserted against each Item.

(f) In Item No. 59(4), for the existing entry in the fourth column, the entry "66 $\frac{2}{3}$ per cent. *ad valorem* or 12 annas per square foot, whichever is higher" shall be substituted.

(g) In Item No. 71(13), to each of the existing entries in the fourth column, the words "or ten annas per foot, whichever is higher" shall be added.

(h) In Item No. 72(33), for the existing entry in the fourth column, the entry "37 $\frac{1}{2}$ per cent. *ad valorem*" shall be substituted.

(i) In Item No. 73(2), in the entry in the second column, the words "also accumulators. and batteries not otherwise specified" shall be omitted.

PART II

In the First Schedule to the Tariff Act, for Item Nos. 45, 60(8) and 73(7), the following items shall be substituted, and such substitutions shall be inserted in their appropriate places :—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of	
				The United Kingdom	A British Colony
45	(a) Articles made of paper and paper mache, pasteboard, millboard, cardboard and strawboard ; labels, advertising circulars, sheet or card almanacs and calenda rs.	Revenue	66 $\frac{1}{2}$ per cent. ad <i>valorem</i>.	..	..
	(b) Stationery, not otherwise specified, including drawing and copy books, Christmas, Easter and other cards, including cards in booklet form; including also waste paper.	Revenue	39 $\frac{3}{8}$ per cent. ad <i>valorem</i>.	..	..
	(c) Slates, all sorts	Revenue	39 $\frac{3}{8}$ per cent. ad <i>valorem</i>.	..	..
60(8)	(a) Vacuum flasks, complete	Revenue	66 $\frac{2}{3}$ per cent. ad <i>valorem</i> or Rs. 4 per flask, whichever is higher.	..	..
	(b) Refills or inners for vacuum flasks	Revenue	66 $\frac{2}{3}$ per cent. ad <i>valorem</i> or Rs. 3 per refill or inner, whichever is higher.	..	..
73(7)	Dry batteries ; also accumulators, and batteries not otherwise specified	Revenue	31 $\frac{1}{2}$ per cent. ad <i>valorem</i> plus the excise duty for the time being leviable on such articles if produced or manufactured in India.	..	..

PART III

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of	Duration of duty
	The United Kingdom Colony.				

In the First Schedule to the Tariff Act.—

(i) after Item 28 (32), the following Item shall be inserted, namely :—

28(33) Calcium carbide Revenue 50 per cent *ad valorem*.

(ii) after Item No. 77 (6), the following Item shall be inserted, namely :—

77(7) Goggles, sun glasses and glare glasses Revenue 50 per cent *ad valorem*.

PART IV

(1) In the Second Schedule to the Tariff Act, for Item No. 5, the following Item shall be substituted, namely :—

Item No.	Name of article	Per	Rate of duty
5	Tea	When the price of tea :—	
	(i) does not exceed Rs. 2-8-0 per lb.	.	Ib.
	(ii) exceeds Rs. 2-8-0 per lb. but does not exceed Rs. 3-4-0 per lb.	.	Ib.
	(iii) exceeds Rs. 3-4-0 per lb. but does not exceed Rs. 4-0-0 per lb.	.	Ib.
	(iv) exceeds Rs. 4-0-0 per lb. but does not exceed Rs. 4-12-0 per lb.	.	Ib.
	(v) exceeds Rs. 4-12-0 per lb.	.	Ib.
		.	Four annas.
		.	Six annas.
		.	Eight annas.
		.	Ten annas.
		.	Twelve annas.

Explanation.—“Price of tea” means the price which the Central Government may, having regard to world prices of tea, fix for this purpose from time to time by notification in the Official Gazette.

(2) In the Second Schedule to the Tariff Act, for the existing entry in the second column against Item No. 6 (ii), the following entry shall be substituted :—

“(ii) Cloth in which the average count of yarn, determined in the manner herein described, is 17s or finer.

Explanation.—(a) “Count” means count of grey yarn.

(b) For the purpose of determining the average count of yarn, the following rules shall apply, namely :—

- (i) Yarn used in the borders or selvedges shall be ignored.
- (ii) For multiple-fold yarn, the count of the basic single yarn shall be taken and the number of ends per inch in the reed or the number of picks per inch, as the case may be, shall be multiplied by the number of plies in the yarn.
- (iii) The average count shall be obtained by applying the following formula, namely :—

$$\frac{(\text{Count of warp} \times \text{number of ends per inch in the reed}) + (\text{count of weft} \times \text{number of picks per inch})}{(\text{Number of ends per inch in the reed}) + (\text{Number of picks per inch})}$$

The result being rounded off, wherever necessary, by treating any fraction which is one-half or more as one, and disregarding any fraction which is less than one-half.”

THE THIRD SCHEDULE

(See section 22)

Goods on which additional duty of Customs is not leviable.

Goods comprised in the following Items of the First Schedule to the Tariff Act, namely:—

1(1), 2, 4(1), 4(3), 4(4), 4(5), 7(1), 8(1), 8(3), 8(4), 8(5), 9(3), 9(4), 9(5), 9(6), 12(6), 13(8), 13(9), 15(5), 15(9), 15(10), 15(11), 15(12), 16, 16(1), 16(3), 18, 19, 19(1), 19(2), 19(3), 20, 20(1), 20(2), 20(3), 20(4), 20(6), 20(7), 20(8), 20(9), 21, 21(4), 21(5), 21(6), 21(7), 21(8), 21(9), 22(1), 22(2), 22(3), 22(5), 27(1), 27(3), 27(4), 27(9), 28A, 28(14), 28(21), 28(22), 28(23), 28(24), 28(25), 28(26), 28(26A), 28(27), 28(28), 28(29), 28(30), 28(33), 30(1), 30(2), 30(6), 30(7), 30(11), 30(12), 30(13), 31(4), 31(5), 32(1), 32(2), 36(2), 37, 37(1), 37(2), 38, 40(2), 40(6), 40(7), 42, 44(1), 44(4), 44(7), 45, 45(3), 45(4), 45(5), 45(6), 48(1), 48(2), 48(3), 48(4), 48(5), 48(6), 48(7), 48(8), 48(9), 48(10), 49(c), 49(1), 49(2), 49(3), 50(1), 50(3), 50(4), 51, 52, 52(4), 53(2), 54, 55(1), 55(2), 55(3), 56, 56(1), 59(2), 59(3), 59(4), 59(5), 60, 60(2), 60(4), 60(5), 60(7), 60(8), 61, 61(11), 61(12), 63(15), 63(18), 70(2), 70(3), 70(10), 70(11), 71(2), 71(3), 71(9), 71(10), 71(13), 72(4), 72(5), 72(14), 72(26), 72(27), 72(28), 72(33), 72(35), 73(4), 73(6), 73(7), 73(8), 73(9), 73(10), 73(11), 73(12), 73(16), 73(17), 73(18), 73(19), 74(4), 75(1), 75(5), 75(14), 75(15), 76, 77(2), 77(4), 77(6), 77(7), 78(1), 79, 82(4), 83, 84(b), 84(1), 85, 85(2), 86, 86(1).

THE FOURTH SCHEDULE

(See section 22)

Goods on which additional duty of customs at 5 per cent. is leviable.

Goods comprised in the following Items of the First Schedule to the Tariff Act, namely:—

4, 8(2) 11(2), 11(4), 11(5), 11(6), 13(4), 15, 21(3), 24, 24(1), 24(2), 24(3), 25(1), 27(2), 27(5), 27(6), 27(7), 27(8), 28, 28(4), 28(8), 28(12), 28(15), 28(16), 28(17), 28(18), 28(19), 28(20), 28(31), 29, 29(1), 30, 30(9), 30(10), 34(3), 40(4), 40(5), 43, 44, 46, 46(3), 47, 55, 60(3), 60(6), 61(2), 61(3), 61(8), 61(9), 62(1), 62(2), 63(14), 63(30), 63(31), 63(32), 63(33), 63(34), 63(35), 64, 64(3), 64(4), 65, 66, 66(1), 67, 67(1), 67(2), 68, 68(2), 69(2), 70, 70(1), 70(4), 70(5), 70(6), 70(9), 71(7), 71(8), 71(11), 72, 72(1), 72(2), 72(3), 72(11), 72(12), 72(13), 72(15), 72(16), 72(17), 72(18), 72(19), 72(20), 72(21), 72(22), 72(23), 72(24), 72(25), 72(34), 73(2), 73(14), 73(15), 74(2), 75, 75(2), 75(3), 75(6), 75(7), 75(8), 75(9), 75(10), 75(11), 75(12), 75(13), 77(5), 78, 82(1), 82(3), 84(a), 85(1).

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to give effect to the financial proposals of the Central Government for the next financial year 1955-56 and to provide for a few connected matters. The notes on clauses explain the various provisions contained therein.

C. D. DESHMUKH.

NEW DELHI;

The 28th February, 1955.

Notes on clauses

Clause 2 prescribes the rates of income-tax and super-tax and sur-charges thereon for the financial year 1955-56. The deduction in respect of earned income is being restricted to income upto Rs. 25,000/- with marginal relief upto income of Rs. 45,000.

Clause 3 makes amendments to certain definitions in section 2 of the Income-tax Act.

Sub-clause (1) defines co-operative society. The concession which till now has been granted to co-operative societies by a notification under section 60 (1) is proposed to be incorporated in the body of the Act itself.

Sub-clause (2) amends the definition of dividend and seeks to check evasion of super-tax by shareholders of private limited companies by drawing profits as loans instead of as dividends and to remove the time limit of six years for taxing as dividends distributions made on the liquidation of companies. It also provides that dividends declared by a company in respect of which cash payment is postponed to a later date, will be treated as cash dividends on the date of declaration.

Sub-clause (3) redrafts the definition of income by including some new items.

Sub-clause (4) defines manager and managing agent in relation to a company in order to remove any doubts about the scope of clause 8 of the Bill.

Clause 4 amends section 4 of the Income-tax Act.

Sub-clause (a) implements the decision of the Government already announced to relax with effect from the 30th September, 1954 certain conditions relating to exemption of foreign profits brought into India. The concession is now proposed to be continued for an indefinite period.

Sub-clause (b) amends section 4(3) of the Income-tax Act, and

(i) empowers the Central Board of Revenue to grant exemption to charitable trusts created after the 1st April, 1952, whose funds are applied outside India for international welfare;

(ii) limits the existing exemption in respect of allowances paid for expenditure necessarily incurred for the performance of duties, that is to say, it will be given only to allowances which are not chargeable under section 7 as perquisites and will be restricted to the actual expenses incurred by the employee.

Sub-clause (3) provides exemption for a limited period to foreign technicians employed in private enterprises in India.

Sub-clause (4) exempts from tax the yield of certain Government securities and Post Office Certificates and implements the decision of the Government already announced at the time of issue of the Certificates. For the sake of convenience, the exemption granted to interest on Post Office Savings Bank deposits and Post Office Cash Certificates by Notification under section 60 of the Act is incorporated in the body of the Act.

Sub-clause (5) incorporates the exemption enjoyed hitherto by indigenous hill-men residing in certain specified tribal areas in the State of Assam and includes some other tribal areas in the same State and also exempts from tax the allowances paid by the Central or State Governments to recipients of gallantry awards.

Clause 5 amends section 7 of the Income-tax Act relating to assessment of "Salaries".

Sub-clause (1) makes a clarificatory amendment.

Sub-clause (2) provides for the deduction of expenses on books, magazines and other periodicals necessary for the performance of the duties of an assessee subject to a maximum of Rs. 500 a year.

Sub-clause (3) makes it clear that "perquisites" or benefits in kind received by an employee from his employer, such as free meals, free domestic services and such other supplies and facilities, are also taxable. To remove hardship in smaller cases, it is provided that the value of such benefits in kind will not be taken into account unless the emoluments received in cash by an employee exceeds Rs. 18,000.

Sub-clause (3) provides for taxation of compensation received by an employee at or in connection with the termination of his employment.

Clause 6 provides for the deduction of realisation charges also in respect of interest on securities.

Clause 7 amends section 9 of the Income-tax Act relating to assessment of income from house properties.

Sub-clause (1) provides for a further reduction in the computation of income of properties occupied by owners themselves.

Sub-clause (2) removes the existing limit in terms of annual value for deduction of municipal taxes so as to give relief in smaller cases.

Sub-clause (3) provides for the assessment in his hands of income from property acquired by a person through a co-operative housing society.

Clause 8 amends section 10 of the Income-tax Act relating to the assessment of income, profits and gains of business, profession or vocation.

Sub-clause (1) (i) and (iii) amends sub-section (2) of that section relating to allowances and as a further incentive to the development of industrial enterprise in the country provides for a deduction (called "Development Rebate") in respect of new plant and machinery installed in a business after the 31st March, 1954, whether the business itself is old or new. This "development rebate" is similar to the "Investment allowance" given in the United Kingdom, and is in lieu of the initial depreciation otherwise available under section 10(2) (vi) in respect of new plant and machinery. The development rebate materially differs from initial depreciation allowance

in that (i) the allowance is to be made at a higher rate, i.e., 25 per cent. instead of at 20 per cent., (ii) the allowance will not be taken into account in computing the normal and double depreciation allowances which will continue to be available for the new assets in addition to the development rebate, (iii) the development rebate will not also be taken into account for computing the maximum amount of allowances admissible or the balancing charge under section 10(2). The rebate is admissible only in cases of businesses and not in other cases to which initial depreciation allowances will continue to be available.

Sub-clause (1) (ii) deletes the proviso to section 12(2)(via) in view of the provision of "development rebate".

Sub-clause (1) (iv) provides for allowance of expenses incurred through a University, College, etc. for research in social science and statistical research related to the class of business carried on by the assessee.

Sub-clause (2) inserts a new sub-section (2A) in section 10 and brings to charge unclaimed balances and debts foregone in cases where a deduction has been obtained by the taxpayer in an earlier assessment as a loss, expense or liability.

Sub-clause (3) amends the definition of "written down value" in order to prevent excessive claim for depreciation allowance by an assessee selling his old asset to another person and re-acquiring it later at a higher price.

Sub-clause (4) provides for taxation of compensation received on the termination or variation of the agreements relating thereto, of managing agencies, commission agencies or other similar agency agreements. To remove the hardship by taxing the lump sum receipts as the income of one year, it is provided that the compensation moneys will be charged to tax at the average of the rates of tax of the three preceding years of assessment.

Clause 9 amends section 12 of the Income-tax Act.

Sub-clause (1) provides for the deduction of realization charges also in respect of dividends from companies.

Sub-clause (2) is similar to sub-clause (b) of clause 8.

Clause 10 inserts new provisions in section 14 of the Income-tax Act in relation to co-operative societies. These societies have till now been enjoying certain concessions under a Notification of the Government under section 60(1) of the Act. In order to encourage the growth of the co-operative movement in the country, certain further concessions have been given. At the same time, the exemption is being withdrawn in respect of co-operative insurance societies, which are being put on a par with mutual insurance associations.

Clause 11 enlarges the limits for relief in respect of life insurance premia payments under section 15 of the Income-tax Act.

Clause 12 amends section 15C and is consequential to the amendment of section 23A.

Clause 13 makes some consequential changes in section 16 of the Income-tax Act relating to inclusions and exclusions from total income.

Clause 14 increases the rate of interest payable by Government under section 18A of the Income-tax Act on excess payments of advance tax from two per cent. to four per cent.

Clause 15 substitutes a new section for section 23A of the Income-tax Act dealing with the compulsory distribution of dividends in the case of private companies. The amendment is intended to tighten up the provisions for preventing avoidance of super-tax by shareholders of private companies resulting from insufficient distribution or non-distribution of dividends in proper time. It is further provided that the companies falling under that section shall pay super-tax on the undistributed income, subject to certain adjustments, at a flat rate of four annas per rupee. This super-tax is payable, apart from the income-tax and super-tax payable by the company on its total income in the ordinary course, and the shareholders will not get any credit for it in their assessments. In order to provide for extenuating cases, certain further deductions are permitted in determining the distributable income, while excess dividends distributed in the three preceding years are allowed to be carried forward. The new provisions also require the Income-tax Officer to give an opportunity to the company to make good the deficiency in distribution of dividends in cases where there is a difference in the computation of total income by the assessee and the officer owing to honest difference of opinion.

Clause 16 amends section 24 of the Income-tax Act and removes the time limit of six years for carrying forward losses sustained in business, profession or vocation. It also provides that business losses (other than speculation losses) carried forward, will be allowed to be set off against the profits of the same or any other business, profession or vocation carried on by the same assessee in future years.

Clause 17 adds certain new industries to the list specified in section 56A of the Income-tax Act, the dividends from which are exempt from super-tax in the hands of the shareholder company.

Clause 18 amends section 60A of the Income-tax Act to enable a concession order to be made for Chandernagore, if necessary.

Clause 19 amends rule 9 in the Schedule to the Income-tax Act and provides for the computation of profits of insurance business carried on by a co-operative society.

Clause 20 prescribes the date of commencement of the various amendments to the Income-tax Act proposed in this Bill. It also makes clear that the provisions of section 23A of the Income-tax as it stands now will continue to apply in respect of profits and gains of companies assessable to tax in the assessment year 1954-55 and earlier years, and the corresponding assessments of the shareholders.

Clause 21 seeks to increase the duties on some goods specified in the Second Schedule. The duty on certain Items, such as tanned or dressed skins [Item No. 36(2)], leather manufactures like saddlery, harness, trunks and bags [Item No. 37], dressed fur skins [Item No. 38] is being enhanced. An import duty of 31½ per cent. is being imposed on second-hand or used gunny-bags or cloth made of jute [Item No. 50(1)] and cotton ropes [Item No. 50(4)]. Alternative specific duties are being imposed on procelain or earthenware tiles [Item No. 59(4)] and zip fasteners [Item No. 71(13)], so that low-priced imports may not excessively affect indigenous manufactures. A duty equal to the excise duty is being added to the customs duty in respect of some articles on which excise duties are now being imposed. In the Export Schedule rates of duty dependent upon prevailing prices are being substituted for tea in lieu of the existing flat rate on all grades of tea. Cloth is also being re-defined as in the Central Excises and Salt Act, 1944.

Clause 22 continues for another year the existing surcharges on Customs duties.

Clause 23 seeks to maintain for another year the *status quo* in regard to the commitments under GATT, pending finalisation of the negotiations.

Clause 24 substitutes a new section for section 4 of the Central Excises and Salt Act, 1944, to overcome certain administrative difficulties in determining the value of excisable goods for purposes of duty, cf. section 30 of the Sea Customs Act, 1878.

Clause 25:

Sub-clause (i) proposes certain reductions in the excise duty on matches produced in the medium-sized and cottage factories.

Sub-clause (ii) proposes an increase of the excise duty on sugar from Rs. 3/12/- per cwt. to Rs. 5/10/- per cwt.

Sub-clause (iii) proposes certain changes in the excise duty on certain categories of cigarettes.

Sub-clause (iv) redefines cotton cloth on a more scientific basis, and also proposes alterations in the excise duty on such cloth.

Sub-clause (v) redefines rayon and artificial silk fabrics consequent upon the levy of an excise duty on woollen fabrics.

Sub-clause (vi) proposes the levy of an excise duty on woollen fabrics.

Sub-clause (vii) redefines soap in a simpler manner and at the same time removes an exemption in the case of large-scale factories.

Sub-clause (viii) proposes the levy of an excise duty on certain new items.

Clause 26.—This clause provides for the collection of excise duty on existing stocks of the new excisable commodities lying in certain premises.

Clause 27.—This clause proposes a surcharge of 5 per cent. of the excise duty on motor spirit.

Clause 28.—This clause amends the definition of cloth in Act 12 of 1953 so as to provide for the levy of a cess of three pies per yard on woollen fabrics also.

Clause 29.—This clause discontinues the levy of a duty on salt for another year and at the same time removes a doubt as to whether the Finance Acts of 1953 and 1954 affected the Salt Cess Act of 1953 in any way.

LOK SABHA

**A
BILL**

to give effect to the financial proposals of the Central Government for the financial year 1955-56

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary-

(Shri C. D. Deshmukh,
Minister of Finance.)

SCHEDULE OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56

211

Details of Voted and Charged Amounts included in the demands for Grants for the Expenditure of the Central Government (excluding Railways) for 1955-56.

TABLE OF CONTENTS

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees)		
			Voted	Charged	Total
			Rs.	Rs.	Rs.

I. EXPENDITURE MET FROM REVENUE.

(I. Ministry of Commerce and Industry)

1	Ministry of Commerce and Industry	General Administration.	82,00	..	82,00
2	Industries	Industries and Supplies	16,50,72	..	16,50,72
3	Commercial Intelligence and Statistics.	Miscellaneous Departments.	53,71	..	53,71
4	Miscellaneous departments and Expenditure under the Ministry of Commerce and Industry.	Miscellaneous Departments and Miscellaneous.	64,66	..	64,66

(II. Ministry of Communications).

5	Ministry of Communications.	General Administration	11,65	..	11,65
6	Indian Posts and Telegraphs Department (including working Expenses)	Posts and Telegraphs.	48,85,41	2,37,44	51,22,85
7	Meteorology	Scientific Departments	1,25,71	..	1,25,71
8	Overseas Communication Service.	Industries and Supplies	99,79	5,67	1,05,46
9	Aviation	Aviation	2,72,82	..	2,72,82
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	Miscellaneous Departments and Miscellaneous	18,64	..	18,64
TOTAL CARRIED OVER			72,65,11	2,43,11	75,08 22

**212 SCHEDULE OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56**

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No. of Demand	Service, Adminis- tration or Area to which Demand re- lates	Head of Account	Amount (In thousands of rupees.)				
			Voted	Charged	Total		
			Rs.	Rs.	Rs.		
TOTAL BROUGHT FORWARD			72,65,11	72,43,11	75,08,22		

**I. EXPENDITURE
MET FROM RE-
VENUE -contd.**

(III. Ministry of Defence)

11	Ministry of Defence	General Ad- ministration .	30,74	..	30,74
12	Defence Services		1,55,88,19	..	1,55,88,19
13	Defence Services		12,72,44	..	12,72,44
14	Defence Services	Defence Services	35,48,42	..	35,48,42
15	Defence Services		16,33,95	5	16,34,00
	--Effective Army.				
	--Effective Navy.				
	--Effective Air Force.				
	--Non-effective charges.				

(IV. Ministry of Education)

16	Ministry of Edu- cation .	General Ad- ministration .	54,50	..	54,50
17	Archaeology .	Scientific De- partments .	55,06	..	55,06
18	Other Scientific Departments .		2,77,25	..	2,77,25
19	Education .	Education .	17,97,17	..	17,97,17
20	Miscellaneous De- partments and Ex- penditure under the Ministry of Edu- cation.	Miscellaneous Departments and Miscele- nous.	2,62,28	..	2,62,28

(V. Ministry of External Affairs)

21	Tribal Areas .	Tribal Areas .	5,82,67	..	5,82,67
22	External Affairs .	General Ad- ministration External Affairs .	6,77,45	..	6,77,45
23	State of Pondicherry	Miscellaneous	2,07,09	1,34	2,08,43
24	Miscellaneous Ex- penditure under the Ministry of Ex- ternal Affairs .	Miscellaneous .	2,05	..	2,05
	TOTAL CARRIED OVER		3,32,54,37	2,44,50	3,34,98,87

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TABLE OF CONTENTS

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted Rs.	(In thousands of rupees)
			<i>Charged</i> Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		3,32,54,37	2,34,50 3,34,98,87

I. EXPENDITURE MET FROM REVENUE—*contd.*

(VI. Ministry of Finance)

25	Ministry of Finance	General Administration .	1,85,11	.. 1,85,11
26	Customs	Customs .	3,81,70	.. 5 3,81,75
27	Union Excise Duties	Union Excise Duties. .	6,71,95	16,66,46 23,38,41
28	Taxes on Income including Corporation Tax and Estate Duty	Corporation Tax, Taxes on Income and Estate Duty. .	3,96,76	1,29 3,98,05
29	Opium . . .	Opium .	1,72,07	.. 1,72,07
30	Stamps . . .	Stamps .	1,31,91	.. 5,93 1,37,84
31	Payments to other Governments, Departments, etc.	General Administration. .	11,06	.. 11,06
32	Audit . . .	Audit .	7,94,26	18,32 8,12,58
33	Currency . . .	Currency .	2,34,97	7,00 2,41,97
34	Mint . . .	Mint .	1,00,24	.. 1,00,24
35	Territorial and Political Pensions.	Territorial and Political Pensions. .	27,33	.. 27,33
36	Superannuation Allowances and Pensions.	Superannuation Allowances and Pensions. .	3,51,02	12,08 3,63,10
37	Miscellaneous Departments and Other Expenditure under the Ministry of Finance . . .	Miscellaneous Departments and Miscellaneous. .	21,03,86	.. 21,03,86
38	Grants-in-aid to States . . .	Grants-in-aid to States .	20,82,06	15,07,00 35,89,06
39	Miscellaneous Adjustments between the Union and State Governments.	Miscellaneous Adjustments between the Union and State Governments .	8,55	.. 3,55
40	Pre-partition payment.	Pre-partition payments .	1,27,74	26 1,28,00
	<i>Charged—Interest on Debt and other obligations and reduction or avoidance of Debt.</i>	<i>Interest on Debt and other obligations and reduction or avoidance of Debt</i> .	..	<i>1,01,32,22 1,01,32,22</i>
	TOTAL—CARRIED OVER .		4,10,29,96	1,35,95,11 5,46,25,07

**214 SCHEDULE OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56**

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees)	
				Charged	Total
			Rs.	Rs.	Rs.
	TOTAL BROUGHT FORWARD		4,10,29,96	1,35,95,11	5,46,25,07
i.	EXPENDITURE MET FROM REVENUE—<i>contd.</i>				
	(VII. Ministry of Food and Agriculture)				
41	Ministry of Food and Agriculture	General Administration	62,99	..	62,99
42	Forest	Forest	95,93	..	95,93
43	Agriculture	Agriculture	14,71,85	..	14,71,85
44	Civil Veterinary Services	Veterinary	78,06	..	78,06
45	Miscellaneous Departments other Expenditure under the Ministry of Food and Agriculture	Miscellaneous Departments and Miscellaneous.	5,73,70	..	5,73,70
	(VIII. Ministry of Health)				
46	Ministry of Health	General Administration	7,98	..	7,98
47	Medical Services	Medical	1,98,22	..	1,98,22
48	Public Health	Public Health	6,49,93	..	6,49,93
49	Miscellaneous Expenditure under the Ministry of Health.	Miscellaneous	88,03	..	88,03
	(IX. Ministry of Home Affairs)				
50	Ministry of Home Affairs	General Administration	2,10,56	..	2,10,56
51	Cabinet	Land Revenue, General Administration and Police	31,30	..	31,30
52	Delhi		1,61,28	..	1,61,28
53	Police	Police	1,77,79	..	1,77,79
54	Census	Miscellaneous Departments	20,00	..	20,00
55	Privy Purses and Allowances of Indian Rulers	Privy Purses, etc.	2,70	5,43,77	5,45,47
56	Andaman and Nicobar Islands	Distributed over respective heads of accounts	2,00,32	..	2,00,32
57	Kutch		1,35,12	..	1,35,12
58	Manipur		93,34	..	93,34
59	Tripura		1,46,68	25	1,46,93
60	Relations with States		45,68	..	45,68
	TOTAL—CARRIED OVER		4,54,81,42	1,41,38,13	5,96,19,55

SCHEDULE OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56

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No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees)		
			Voted	Charged	Total
TOTAL—BROUGHT FORWARD			Rs.	Rs.	Rs.
			4,54,81,42	1,41,38,13	5,96,19,55
1	Miscellaneous Department and Expenditure under the Ministry of Home Affairs.	Miscellaneous Departments and Miscellaneous	1,83,64	..	1,83,64
(X. Ministry of Informations and Broadcasting.)					
62	Ministry of Information and Broadcasting.	General Administration.	41,43	..	41,43
63	Broadcasting	Broadcasting	3,13,35	..	3,13,35
64	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting.	Miscellaneous Departments and Miscellaneous.	1,23,99	..	1,23,99
(XI. Ministry of Irrigation and Power.)					
65	Ministry of Irrigation nad Power.	General Administration.	11,43	..	11,43
66	Irrigation (including working expenses), Navigation, Embankment and Drainage Works met from Revenue.	Works for which Capital account are kept Miscellaneous Irrigation expenditure, Construction of Irrigation, etc. works.	25	..	25
67	Multi-purpose River Schemes.	Multi-purpose River-Schemes	1,04,67	..	1,04,67
68	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power.	Miscellaneous Departments and Miscellaneous.	64,71	..	64,71
TOTAL—CARRIED OVER			4,63,24,89	1,41,38,13	6,04,63,02

**216 SCHEDULE OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56**

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No. of Demand	Service, Adminis- tration or Area to which Demand relates.	Head of Account	Amount Voted	(In thousands of rupees)	
				Rs.	Rs.
	TOTAL—BROUGHT FORWARD . . .		4,63,24,89	1,41,38,13	6,04,63,02

**I. EXPENDITURE MET FROM
REVENUE—*contd.***

(XII. Ministry of Labour).

69	Ministry of Labour . . .	General Adminis- tration . . .	34,30	..	34,30
70	Chief Inspector of Mines . . .	Scientific De- partments . . .	10,31	..	10,31
71	Miscellaneous De- partments and Ex- penditure under the Ministry of Labour . . .	Miscellaneous Departments and Miscele- nous . . .	3,40,64	..	3,40,64
72	Employment Ex- changes and Re- settlement . . .	Miscellaneous . . .	1,74,20	..	1,74,20
73	Civil Defence . . .	Civil Defence . . .	1,20	..	1,20

(XIII. Ministry of Law).

74	Ministry of law . . .	General Admi- nistration . . .	1,38,52	..	1,38,52
75	Administration of Justice . . .	Administration of Justice . . .	2,25	10,13	12,38

**(XIV. Ministry of Natural
Resources and Scientific
Research.)**

76	Ministry of Natural Resources and Scientific Research . . .	General Admi- nistration . . .	9,55	..	9,55
77	Survey of India . . .		1,52,44	..	1,52,44
78	Botanical Survey . . .		12,07	..	12,07
79	Zoological Survey . . .		5,17	..	5,17
80	Geological Survey . . .		74,26	..	74,26
81	Mines . . .		56,32	..	56,32
82	Scientific Research . . .		5,18,47	..	5,18,47
83	Miscellaneous De- partment and ex- penditure under the Ministry of Natural Resources and Scientific Research . . .	Miscellaneous Departments and Miscele- nous . . .	15	..	15
	TOTAL—CARRIED OVER . . .		4,78,54,74	1,41,48,26	6,20,03,00

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No. of Demand	Service, Administration or Area to which Demand relates.	Head of Account	Amount	(In thousands of rupees)		
				Voted	Charged	Total
			Rs.	Rs.	Rs.	
	TOTAL—BROUGHT FORWARD . . .		4,78,54,74	1,41,48,26		6,20,03,00
(VX. Department of Parliamentary Affairs.)						
84	Department of Parliamentary Affairs.	General Administration	1,72	..		1,72
(XVI. Ministry of Production).						
85	Ministry of Production.	General Administration	10,54	..		10,54
86	Salt . . .		1,32,38	3,36		1,35,74
87	Other Organisations under the Ministry of Production.	Industries and Supplies.	1,11,72	..		1,11,72
88	Government Collieries		4,24,38	22,98		4,47,36
89	Miscellaneous Departments and Expenditure under the Ministry of Production	Miscellaneous Departments and Miscellaneous.	98,14	..		98,14
(XVII. Ministry of Rehabilitation)						
90	Ministry of Rehabilitation.	General Administration	25,65	..		25,65
91	Expenditure on Displaced persons		10,36,78	..		10,36,78
92	Miscellaneous Expenditure under the Ministry of Rehabilitation.	Miscellaneous	10	..		10
(XVIII. Ministry of Transport).						
93	Ministry of Transport	General Administration	44,71	..		44,71
94	Ports and Pilotage	Ports and Pilotage	68,65	..		68,65
95	Lighthouses & Lightships	Lighthouses and Lightships	81,52	..		81,52
96	Central Road Fund		4,60,48	..		4,60,48
97	Communications (including National Highways).	Civil Works	5,06,52	..		5,06,52
98	Miscellaneous Expenditure under the Ministry of Transport	Miscellaneous.	35,21	..		35,21
	TOTAL—CARRIED OVER . . .		5,08,93,24	1,41,74,60		6,50,67,84

**218 SCHEDULES OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56**

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No. of Service, Administration or Area to which Demand relates	Head of Account	Amount	(In thousands of rupees)	
		Voted Rs.	Charged Rs.	Total Rs.
TOTAL—BROUGHT FORWARD . . .		5,08,93,24	1,41,74,60	6,50,67,84
(XXI. Ministry of Works, Housing and Supply).				
99 Ministry of Works, Housing & Supply Supplies . . .	General Administration Industries and Supplies . . .	41,62 2,80,05 18,65,69 6,72,77	.. .. 24,37 ..	41,62 2,80,05 18,90,02 6,72,77
101 Other Civil Works . . .	Civil Works . . .			
102 Stationery and Printing . . .	Stationery and Printing . . .			
103 Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply . . .	Miscellaneous Departments and Miscellaneous . . .	70,92	..	70,92
(XX. Parliament).				
104 Parliament . . .	General Administration . . .	1,16,13	1,40	1,17,53
105 Miscellaneous Expenditure under the Parliament Secretariat . . .	Miscellaneous . . .			
		30	..	30
(XXI. Secretariat of the President).				
<i>Charged—Staff, Household and Allowances of the President</i> . . .	General Administration . . .			
		..	16,64	16,64
(XXII. Secretariat of the vice President).				
106 Secretariat of the Vice-President . . .	General Administration . . .	73	..	73
(XXIII. Union Public Service Commission).				
<i>Charged—Union Public Service Commission</i> . . .	General Administration . . .			
		..	27,09	27,09
TOTAL . . .		5,39,41,45	1,42,44,06	6,81,85,51(a)
(a) Expenditure shown in the Budget Statement . . .				
<i>Add—Drawbacks and ex-gratia payments of Imports and Union Excise Duties . . .</i>				5,62,78,06
I. Customs . . .				41,15
II. Union Excise Duties . . .				1,00,00
Posts and Telegraphs—Working Expenses . . .				44,65,01
Irrigation—Working Expenses . . .				2,35
Industries and Supplies—Working Expenses . . .				4,47,36
Electricity Schemes—Working Expenses . . .				9,61
Road Transport Schemes—Working Expenses . . .				8,47
Amount for eliminating recoveries				1,19,09,40
<i>Deduct—Railway Expenditure . . .</i>				7,32,61,41
TOTAL . . .				—50,75,90
				6,81,85,51

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No. of Demand	Service Administra- tion or area to which Demand relates	Head of Account	Amount (In thousands of rupees)			
				Voted	Charged	Total
			Rs.	Rs.	Rs.	Rs.
II. EXPENDITURE MET FROM CAPITAL AND DISBURSE- MENT OF LOANS AND AD- VANCES.						
(I. Ministry of Commerce and Industry).						
107	Capital Outlay of the Ministry of Com- merce and Industry	Distributed over respective heads of account .	16,47,10	..		16,47,10
(II. Ministry of Communications).						
108	Capital Outlay on Indian Posts & Telegraphs (not met from Revenue)	Capital outlay on Posts and Te- legraphs.	26,02,78	..		26,02,78
109	Capital outlay on Civil Aviation.	Capital outlay on Civil Aviation	5,35,10	..		5,35,10
110	Other Capital Out- lay of the Ministry of Communications.	Distributed over respective heads of account .	6,12,68	..		6,12,68
(III. Ministry of Defence).						
111	Defence Capital Outlay . . .	Defence Capital Outlay . . .	24,64,00	..		24,64,00
(IV. Ministry of Education).						
112	Capital Outlay of the Ministry of Education . . .	Capital Outlay on Schemes of Government Trading . . .	33,37	..		33,37
(V. Ministry of External Affairs).						
113	Capital outlay of the Ministry of External Affairs.	Capital outlay on Schemes of Government Trading . . .	25,00	..		25,00
(VI. Ministry of Finance).						
114	Capital Outlay on the India Security Press.	Capital Outlay on the India Security Press	3,50	..		3,50
115	Capital Outlay on Currency.	Currency Capi- tal Accounts outside the Re- venue Account.]	7,84,80	..		7,84,80
116	Capital Outlay on Mints. . .	Capital Outlay on Mints. . .	50,30	..		50,30
TOTAL—CARRIED OVER			87,58,63	..		87,58,63

**220 SCHEDULE OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56**

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No. of De- mand	Service, Adminis- tration or Area to which Demand relates	Head of Account	Amount	(In thousands of rupees)		
				Voted Rs.	Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		87,58,63		..	87,58,63

**II. EXPENDITURE MET FROM
CAPITAL AND DISBURSE-
MENT OF LOANS AND AD-
VANCES—*contd.***

V. Ministry of Finance—*concl.*

117	Commuted value of pensions.	Payments of Commuted value of Pensions.	74,26	..	74,26
118	Payments to Retrenched personnel.	Retrenched Personnel.	46	..	46
119	Other Capital Outlay of the Ministry of Finance.	Distributed over respective heads of account	45,53,05	..	45,53,05
120	Loans and Advances by the Central Government		65,04,15	2,90,18,93	3,55,23,08
	<i>Charged—Re-pay- ment of Debt</i>		..	22,67,30,33	22,67,30,33

(VII. Ministry of Food and Agriculture).

121	Capital Outlay on forests	Capital Outlay on forests	43,97	..	43,97
122	Purchases of food-grains.	Capital Outlay on schemes of Government Trading.	90,24,00	..	90,24,00
123	Other Capital Outlay of the Ministry of Food and Agriculture.	Capital Outlay on Agricultural Research and Improvements and schemes of Government Trading.	75,58,76	11,55	75,70,31

(VII. Ministry of Health).

124	Capital outlay of the Ministry of Health.	Capital Outlay on Schemes of Government Trading.	10,01,01	..	10,01,01
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(IX. Ministry of Home Affairs).

125	Capital outlay of the Ministry of Home Affairs.	Do.	2,79,74	..	2,19,74
-----	---	-----	---------	----	---------

(X. Ministry of Information and Broadcasting).

126	Capital Outlay on Broadcasting).	Capital Outlay on Broadcasting	3,99,73		3,99,73
	TOTAL—CARRIED OVER		3,79,97,76	25,77,60,81	29,37,58,57

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No. of De- mand	Service, Adminis- tration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees)	
				Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		3,79,97,76	25,57,60,81	29,37,58,57

II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES—concl.

XI. Ministry of Irrigation and Power).

- | | | | | | |
|-----|---|---|---------|----|---------|
| 127 | Capital Outlay on
Multipurpose River
Schemes. | Capital Outlay
on Multipur-
pose River
Schemes . | 4,31,64 | .. | 4,31,64 |
| 128 | Other Capital Outlay
of the Ministry of
Irrigation and Power. | Distributed over
the respective
heads of account | 1,40 | .. | 1,40 |

(XII. Ministry of Labour).

- | | | | | |
|--|---|-------|----|-------|
| 129 Capital Outlay of the Ministry of Labour. | Capital Outlay on Schemes of Government Trading . . | 51,35 | .. | 51,35 |
| (XIII. Ministry of Natural Resources and Scientific Research). | | | | |

and Schenck's Association).

- | | | | | | |
|-----|---|---|---------|----|---------|
| 130 | Capital Outlay of the
Ministry of Natural
Resources and
Scientific Research. | Distributed over
respective heads
of account. | 3,29,40 | .. | 3,29,40 |
|-----|---|---|---------|----|---------|

(XIV. Ministry of Production).

- | | | | | |
|---|--|---------|----|---------|
| 131 Capital Outlay of the Ministry of Production. | Distributed over respective heads of account . | 9,73,65 | .. | 9,73,65 |
|---|--|---------|----|---------|

(XV. Ministry of Rehabilitation.)

- 132 Capital Outlay of the Ministry of Rehabilitation.; Capital Outlay on Industrial development . 31,05,00 .. 31,05,00

(XVI. Ministry of Transport.)

- | | | | | | |
|---------------------------|--|--|-------------------|--------------------|--------------------|
| 133 | Capital Outlay on Ports. | Capital Outlay on Ports . | 4,77,86 | .. | 4,77,86 |
| 134 | Capital Outlay on Roads | Capital Outlay on Roads . | 16,30,00 | .. | 16,30,00 |
| 135 | Other Capital Outlay of the Ministry of Transport. | Capital Outlay on Schemes of Government Trading. . | 1,38,60 | .. | 1,38,60 |
| TOTAL CARRIED OVER | | | 4,51,36,66 | 25,57,60,81 | 30,08,97,47 |

102 M. of F.

**222 SCHEDULES OF DEMANDS FOR GRANTS (OTHER THAN RAILWAYS)
FOR 1955-56**

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No. of Service, De- mand	Adminis- tration or Area to which Demand relates	Head of Account	Amount Voted Rs.	(In thousands of Rupees) <i>Charged</i> Rs.	Total Rs.
		TOTAL—BROUGHT FORWARD	4,51,36,66	25,57,60,81	30,08,97,47
(XVII. Ministry of Works, Housing and Supply)					
136	New Delhi Capital Outlay.	Initial Expenditure on New Capital at Delhi	6,85,44	59	6,86,03
137	Capital Outlay on buildings.	Capital account of Civil Works outside the Revenue Account.	8,96,02	..	8,96,02
138	Other Capital Outlay of the Ministry of Works, Housing and Supply.	Capital Outlay on Industrial Development and Schemes of Government Trading	5,07,24	..	5,07,24
	TOTAL—EXPENDITURE MET FROM CAPITAL; ETC.		4,72,25,36	25,57,61,40	30,29,86,76
	GRAND TOTAL		10,11,66,81	27,00,05,46	37,11,72,27

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1955

[As introduced in Lok Sabha]

▲

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1955-56.

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Vote on Account) Act, 1955.

2. From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three hundred and twenty-three crores, thirty lakhs and thirty-nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1955-56.

3. The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the service and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See section 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	6,83,000	..	6,83,000
2	Industries	1,37,56,000	..	1,37,56,000

224 THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1955 AS INTRODUCED

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
3	Commercial Intelligence and Statistics	4,48,000	..	4,48,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	5,39,000	..	5,39,000
5	Ministry of Communications	97,000	..	97,000
6	Indian Posts and Telegraphs Department (including Working Expenses)	4,07,12,000	19,79,000	4,26,91,000
7	Meteorology	10,48,000	..	10,48,000
8	Overseas Communications Service	8,32,000	47,000	8,79,000
9	Aviation	22,73,000	..	22,73,000
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	1,55,000	..	1,55,000
11	Ministry of Defence	2,56,000	..	2,56,000
12	Defence Services—Effective—Army.	12,99,02,000	..	12,99,02,000
13	Defences Services—Effective—Navy	1,06,04,000	..	1,06,04,000
14	Defence Services—Effective—Air Force	2,95,70,000	..	2,95,70,000
15	Defence Services—Non-Effective Charges	1,36,16,000	..	1,36,16,000
16	Ministry of Education	4,54,000	..	4,54,000
17	Archaeology	4,59,000	..	4,59,000
18	Other Scientific Departments	23,10,000	..	23,10,000
19	Education	1,49,76,000	..	1,49,76,000
20	Miscellaneous Departments and Expenditure under the Ministry of Education	21,86,000	..	21,86,000
21	Tribal Areas	48,56,000	..	48,56,000

No. of Vote	Services and purposes	Sums not exceeding.		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
22	External Affairs . . .	56,45,000	..	56,45,000
23	State of Pondicherry . . .	17,26,000	11,000	17,37,000
24	Miscellaneous Expenditure under the Ministry of External Affairs . . .	17,000	..	17,000
25	Ministry of Finance. . .	15,43,000	..	15,43,000
26	Customs	31,81,000	..	31,81,000
27	Union Excise Duties . . .	56,00,000	1,38,87,000	1,94,87,000
28	Taxes on Income including Corporation Tax and Estate Duty	33,06,000	11,000	33,17,000
29	Opium	1,40,36,000	..	1,40,36,000
30	Stamps	10,99,000	49,000	11,48,000
31	Payments to Other Governments, Departments, etc. . .	92,000	..	92,000
32	Audit	68,09,000	1,53,000	69,62,000
33	Currency	19,58,000	58,000	20,16,000
34	Mint	8,35,000	..	8,35,000
35	Territorial and political Pensions	2,28,000	..	2,28,000
36	Superannuation Allowances and Pensions	58,50,000	2,01,000	60,51,00
37	Miscellaneous Departments and other Expenditure under the Ministry of Finance . . .	1,75,32,000	..	1,75,32000
38	Grants-in-aid to States . . .	5,20,51,000	3,76,75,000	8,97,26,000
39	Miscellaneous adjustments between the Union and State Governments . . .	30,000	..	30,000
40	Pre-partition Payments . . .	10,64,000	4,000	10,66,000
	CHARGED—Interest on Debt and other obligations and reduction or avoidance of Debt. . .	..	8,44,35 000	8,44,35,000
41	Ministry of Food and Agriculture	5,25,000	..	5 500
42	Forest	7,99,000	..	7,99,000

226 THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1955 AS INTRODUCED

I No. of Vote	Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
43	Agriculture	1,22,65,00		1,22,65,000
44	Civil Veterinary Services . . .	6,50,000		6,50,000
45	Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	47,81,000		47,81,000
46	Ministry of Health	77,000		77,000
47	Medical Services	16,52,000	..	16,52,000
48	Public Health	54,16,000	..	54,16,000
49	Miscellaneous Expenditure under the Ministry of Health	7,34,000	..	7,34,000
50	Ministry of Home Affairs	17,55,000	..	17,55,000
51	Cabinet	2,61,000	..	2,61,000
52	Delhi	13,44,000	..	13,44,000
53	Police	14,82,000	..	14,82,000
54	Census	1,67,000	..	1,67,000
55	Privy Purses and Allowances of Indian Rulers	67,000	1,35,69,000	1,36,36,000
56	Andaman and Nicobar Islands	16,69,000		16,69,000
57	Kutch	11,26,000		11,26,000
58	Manipur	7,78,000		7,78,000
59	Tripura	12,22,000	2,000	12,24,000
60	Relations with States	3,81,000	..	3,81,000
61	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	75,30,000		75,30,000
62	Ministry of Information and Broadcasting	3,45,000	..	3,45,000
63	Broadcasting	26,11,000	..	26,11,000
64	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	10,33,000	..	10,33,000
				1,033,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
65	Ministry of Irrigation and Power	Rs. 95,000	Rs. ..	Rs. 95,000
66	Irrigation, etc. . . .	2,000	..	2,000
67	Multi-purpose River Schemes .	8,72,000	..	8,72,000
68	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power . . .	5,39,000	..	5,39,000
69	Ministry of Labour . . .	2,86,000	..	2,86,000
70	Chief Inspector of Mines. . .	86,000	..	86,000
71	Miscellaneous Departments and Expenditure under the Ministry of Labour . . .	28,39,000	..	28,39,000
72	Employment Exchanges and Resettlement . . .	14,52,000	..	14,52,000
73	Civil Defence . . .	10,000	..	10,000
74	Ministry of Law . . .	11,54,000	..	11,54,000
75	Administration of Justice .	19,000	84,000	1,03,000
76	Ministry of Natural Resources and Scientific Research .	80,000	..	80,000
77	Survey of India . . .	12,70,000	..	12,70,000
78	Botanical Survey . . .	1,01,000	..	1,01,000
79	Zoological Survey . . .	43,000	..	43,000
80	Geological Survey . . .	6,19,000	..	6,19,000
81	Mines . . .	4,69,000	..	4,69,000
82	Scientific Research . . .	43,21,000	..	43,21,000
83	Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research .	1,000	..	1,000
84	Department of Parliamentary Affairs . . .	14,000	..	14,000
85	Ministry of Production . . .	88,000	..	88,000
86	Salt . . .	11,03,000	28,000	11,31,000
87	Other Organisations under the Ministry of Production .	9,31,000	..	9,31,000

228 THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1955 AS INTRODUCED

No. of Vote	Services and purposes	Sums not exceeding		
		Voted yb Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
88	Government Collieries . . .	35,37,000	1,92,000	37,29,000
89	Miscellaneous Departments and Expenditure under the Ministry of Production . . .	8,18,000	..	8,18,000
90	Ministry of Rehabilitation . . .	2,14,000	..	2,14 000
91	Expenditure on Displaced Persons . . .	86,40,000	..	86,40,000
92	Miscellaneous Expenditure under the Ministry of Rehabilitation . . .	1,000	..	1,000
93	Ministry of Transport . . .	3,73,000	..	3,73.000
94	Ports and Pilotage . . .	5,72,000	..	5,72,000
95	Lighthouses and Lightships . . .	6,79,000	..	6,79,000
96	Central Road Fund . . .	38,37,000	..	38,37,000
97	Communications (including National Highways) . . .	42,21,000	..	42.21.000
98	Miscellaneous Expenditure under the Mnistry of Transport . . .	2,93,000	..	2,93,000
99	Ministry of Works, Housing and Supply . . .	3,47,000	..	3,47,000
100	Supplies . . .	23,34,000	..	23,34,000
101	Other Civil Works . . .	1,55,47,000	2,03,000	1,57,50,000
102	Stationery and Printing . . .	56,06,000	..	56,06,000
103	Miscellaneous Departments and Expenditure under the Mi-nistry of Works, Housing and Supply . . .	5,91,000	..	5,91,000
104	Parliament . . .	14,51,000	17,000	14,68,000
105	Miscellaneous Expenditure under the Parliament Secretariat . . .	3,000	..	3,000
	CHARGED—Staff, Household and Allowances of the President . . .	..	1,39,000	1.39 000
106	Secretariat of the Vice-President	6,000	..	6,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
	CHARGED— <i>Union Public Service Commission</i>	..	2,26,000	2,26,000
107	Capital Outlay of the Ministry of Commerce and Industry	1,37,26,000	..	1,37,26,000
108	Capital Outlay on Indian Posts and Telegraphs (Not met from Revenue)	2,16,90,000	..	2,16,90,000
109	Capital Outlay on Civil Aviation	44,59,000	..	44,59,000
110	Other Capital Outlay of the Ministry of Communications	51,06,000	..	51,06,000
111	Defence Capital Outlay	2,05,33,000	..	2,05,33,000
112	Capital Outlay of the Ministry of Education	2,78,000	..	2,78,000
113	Capital Outlay of the Ministry of External Affairs	2,08,000	..	2,08,000
114	Capital Outlay on the Indian Security Press	29,000	..	29,000
115	Capital Outlay on Currency	65,40,000	..	65,40,000
116	Capital Outlay on Mints	4,19,000	..	4,19,000
117	Commututed Value of Pensions	6,19,000	..	6,19,000
118	Payments to Retrenched personnel	4,000	..	4,000
119	Other Capital Outlay of the Ministry of Finance	3,62,75,000	..	3,62,75,000
120	Loans and Advances by the Central Government	5,42,01,000	2,18,24,000	29,60,25,000
	CHARGED— <i>Repayment of Debts</i>	..	1,88,94,19,000	1,88,94,19,000
121	Capital Outlay on Forest	3,66,000	..	3,66,000
122	Purchases of Foodgrains	13,11,00,000	..	13,11,00,000
123	Other Capital Outlay of the Ministry of Food and Agriculture	6,18,15,000	96,000	6,19,11,000
124	Capital Outlay of the Ministry of Health	83,42,000	..	83,42,000
125	Capital Outlay of the Ministry of Home Affairs	23,31,000	..	23,31,000

230 THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1955 AS INTRODUCED

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
126	Capital Outlay on Broadcasting	Rs. 33,31,000	Rs. ..	Rs. 33,31,000
127	Capital Outlay on Multipurpose River Schemes . . .	35,97,000	..	35,97,000
128	Other Capital Outlay of the Ministry of Irrigation and Power . . .	12,000	..	12,000
129	Capital Outlay of the Ministry of Labour . . .	4,28,000	..	4,28,000
130	Other Capital Outlay of the Ministry of Natural Resources and Scientific Research .	27,45,000	..	27,45,000
131	Capital Outlay of the Ministry of Production . . .	81,14,000	..	81,14,000
132	Capital Outlay of the Ministry of Rehabilitation . . .	2,58,75,000	..	2,58,75,000
133	Capital Outlay on Ports . . .	39,82,000	..	39,82,000
134	Capital Outlay on Roads . . .	1,35,83,000	..	1,35,83,000
135	Other Capital Outlay of the Ministry of Transport .	11,55,000	..	11,55,000
136	New Delhi Capital Outlay .	57,12,000	5,000	57,17,000
137	Capital Outlay on Buildings .	74,67,000	..	74,67,000
138	Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	42,27,000	..	42,27,000
	TOTAL .	94,87,27,000	228,43,12,000	3,23,30,39,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, read with article 116 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made in advance by the Lok Sabha in respect of the estimated expenditure of the Central Government, excluding Railways, for a part of the financial year 1955-56.

C. D. DESHMUKH.

NEW DELHI;

The 26th February, 1955.

LOK SABHA

**A
BILL**

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1955-56..

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha the introduction and consideration of the Bill.

**M. N. KAUL,
Secretary.**

**Shri C. D. Deshmukh,
Minister of Finance**

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1955

(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1955-56.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (Vote on Account) Act, 1955.
2. From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three hundred and twenty-three crores, thirty lakhs and thirty-nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1955-56.
3. The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE (See sections 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
1	Ministry of Commerce and Industry	Rs. 6,83,000	Rs. ..	Rs. 6,83,000
2	Industries	Rs. 1,37,56,000	Rs. ..	Rs. 1,37,56,000

No. of vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
3	Commercial Intelligence and Statistics	4,48,000	..	4,48,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	5,39,000	..	5,39,000
5	Ministry of Communications	97,000	..	97,000
6	Indian Posts and Telegraphs Department (including Working Expenses).	4,07,12,000	19,79,000	4,26,91,000
7	Meteorology	10,48,000	..	10,48,000
8	Overseas Communications Service	8,32,000	47,000	8,79,000
9	Aviation	22,73,000	..	22,73,000
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	1,55,000	..	1,55,000
II	Ministry of Defence	2,56,000	..	2,56,000
12	Defence Services—Effective—Army	12,99,02,000	..	12,99,02,000
13	Defence Services—Effective—Navy	1,06,04,000	..	1,06,04,000
14	Defence Services—Effective—Air Force	2,95,70,000	..	2,95,70,000
15	Defence Services—Non-Effective Charges	1,36,16,000	..	1,36,16,000
16	Ministry of Education	4,54,000	..	4,54,000
17	Archaeology	4,59,000	..	4,59,000
18	Other Scientific Departments	23,10,000	..	23,10,000
19	Education	1,49,76,000	..	1,49,76,000
20	Miscellaneous Departments and Expenditure under the Ministry of Education	21,86,000	..	21,86,000
21	Tribal Areas	48,56,000	..	48,56,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
22	External Affairs . . .	56,45,000	..	56,45,000
23	State of Pondicherry . .	17,26,000	11,000	17,37,000
24	Miscellaneous Expenditure under the Ministry of External Affairs . . .	17,000	..	17,000
25	Ministry of Finance . . .	15,43,000	..	15,43,000
26	Customs	31,81,000	..	31,81,000
27	Union Excise Duties . .	56,00,000	1,38,87,000	1,94,87,000
28	Taxes on Income including Corporation Tax and Estate Duty	33,06,000	11,000	33,17,000
29	Opium	1,40,36,000	..	1,40,36,000
30	Stamps	10,99,000	49,000	11,48,000
31	Payments to Other Governments, Departments, etc. .	92,000	..	92,000
32	Audit	68,09,000	1,53,000	69,62,000
33	Currency	19,58,000	58,000	20,16,000
34	Mint	8,35,000	..	8,35,000
35	Territorial and Political Pensions	2,28,000	..	2,28,000
36	Superannuation Allowances and Pensions	58,50,000	2,01,000	60,51,000
37	Miscellaneous Departments and other Expenditure under the Ministry of Finance . .	1,75,32,000	..	1,75,32,000
38	Grants-in-aid to States . .	5,20,51,000	3,76,75,000	8,97,26,000
39	Miscellaneous adjustments between the Union and State Governments . . .	30,000	..	30,000
40	Pre-partition Payments . .	10,64,000	2,000	10,66,000
	CHARGED—Interest on Debt and other obligations and reduction or avoidance of Debt . .	..	8,44,35,000	8,44,35,000
41	Ministry of Food and Agriculture	5,25,000	..	5,25,000
42	Forest	7,99,000	..	7,99,000

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No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
43	Agriculture	1,22,65,000	..	1,22,65,000
44	Civil Veterinary Services . .	6,50,000	..	6,50,000
45	Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	47,81,000	..	47,81,000
46	Ministry of Health	67,000	..	67,000
47	Medical Services	16,52,000	..	16,52,000
48	Public Health	54,16,000	..	54,16,000
49	Miscellaneous Expenditure under the Ministry of Health . .	7,34,000	..	7,34,000
50	Ministry of Home Affairs . .	17,55,000	..	17,55,000
51	Cabinet	2,61,000	..	2,61,000
52	Delhi	13,44,000	..	13,44,000
53	Police	14,82,000	..	14,82,000
54	Census	1,67,000	..	1,67,000
55	Privy Purses and Allowances of Indian Rulers	67,000	1,35,69,000	1,36,36,000
56	Andaman and Nicobar Islands .	16,69,000	..	16,69,000
57	Kutch	11,26,000	..	11,26,000
58	Manipur	7,78,000	..	7,78,000
59	Tripura	12,22,000	2,000	12,24,000
60	Relations with States . .	3,81,000	..	3,81,000
61	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs . .	15,30,000	..	15,30,000
62	Ministry of Information and Broadcasting . . .	3,45,000	..	3,45,000
63	Broadcasting	26,11,000	..	26,11,000
64	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	10,33,000	..	10,33,000

I No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
65	Ministry of Irrigation and Power	Rs. 95,000	Rs. ..	Rs. 95,000
66	Irrigation, etc. . . .	2,000	..	2,000
67	Multi-purpose River Schemes .	8,72,000	..	8,72,000
68	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	5,39,000	..	5,39,000
69	Ministry of Labour . . .	2,86,000	..	2,86,000
70	Chief Inspector of Mines .	86,000	..	86,000
71	Miscellaneous Departments and Expenditure under the Ministry of Labour . . .	28,39,000	..	28,39,000
72	Employment Exchanges and Resettlement . . .	14,52,000	..	14,52,000
73	Civil Defence . . .	10,000	..	10,000
74	Ministry of Law . . .	11,54,000	..	11,54,000
75	Administration of Justice .	19,000	84,000	1,03,000
76	Ministry of Natural Resources and Scientific Research . .	80,000	..	80,000
77	Survey of India . . .	12,70,000	..	12,70,000
78	Botanical Survey . . .	1,01,000	..	1,01,000
79	Zoological Survey . . .	43,000	..	43,000
80	Geological Survey . . .	6,19,000	..	6,19,000
81	Mines	4,69,000	..	4,69,000
82	Scientific Research . . .	43,21,000	..	43,21,000
83	Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research . .	1,000	..	1,000
84	Department of Parliamentary Affairs . . .	14,000	..	14,000
85	Ministry of Production . . .	88,000	..	88,000
86	Salt	11,03,000	28,000	11,31,000
87	Other Organisations under the Ministry of Production .	9,31,000	..	9,31,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total:
		Rs.	Rs.	Rs.
88	Government Collieries . . .	35,37,000	1,92,000	37,29,000
89	Miscellaneous Departments and Expenditure under the Ministry of Production . . .	8,18,000	..	8,18,000
90	Ministry of Rehabilitation . . .	2,14,000	..	2,14,000
91	Expenditure on Displaced Persons . . .	86,40,000	..	86,40,000
92	Miscellaneous Expenditure under the Ministry of Rehabilitation . . .	1,000	..	1,000
93	Ministry of Transport . . .	3,73,000	..	3,73,000
94	Ports and Pilotage . . .	5,72,000	..	5,72,000
95	Lighthouses and Lightships . . .	6,79,000	..	6,79,000
96	Central Road Fund . . .	38,37,000	..	38,37,000
97	Communications (including National Highways) . . .	42,21,000	..	42,21,000
98	Miscellaneous Expenditure under the Ministry of Transport . . .	2,93,000	..	2,93,000
99	Ministry of Works, Housing and Supply . . .	3,47,000	..	3,47,000
100	Supplies . . .	23,34,000	..	23,34,000
101	Other Civil Works . . .	1,55,47,000	2,03,000	1,57,50,000
102	Stationery and Printing . . .	56,06,000	..	56,06,000
103	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply . . .	5,91,000	..	5,91,000
104	Parliament . . .	14,51,000	17,000	14,68,000
105	Miscellaneous Expenditure under the Parliament Secretariat . . .	3,000	..	3,000
	CHARGED—Staff, Household and Allowances of the President . . .	..	1,39,000	1,39,000
106	Secretariat of the Vice-President	6,000	..	6,000

1 No. of Jote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
	CHARGED— <i>Union Public Service Commission</i> . . .	..	2,26,000	2,26,000
107	Capital Outlay of the Ministry of Commerce and Industry . . .	1,37,26,000	..	1,37,26,000
108	Capital Outlay on Indian Posts and Telegraphs (Not met from Revenue) . . .	2,16,90,000	..	2,16,90,000
109	Capital Outlay on Civil Aviation	44,59,000	..	44,59,000
110	Other Capital Outlay of the Ministry of Communications . . .	51,06,000	..	51,06,000
111	Defence Capital Outlay . . .	2,05,33,000	..	2,05,33,000
112	Capital Outlay of the Ministry of Education . . .	2,78,000	..	2,78,000
113	Capital Outlay of the Ministry of External Affairs . . .	2,08,000	..	2,08,000
114	Capital Outlay on the Indian Security Press . . .	29,000	..	29,000
115	Capital Outlay on Currency . . .	65,40,000	..	65,40,000
116	Capital Outlay on Mints . . .	4,19,000	..	4,19,000
117	Commututed Value of Pensions . . .	6,19,000	..	6,19,000
118	Payments to Retrenched Personnel	4,000	..	4,000
119	Other Capital Outlay of the Ministry of Finance . . .	3,62,75,000	..	3,62,75,000
120	Loans and Advances by the Central Government . . .	5,42,000	24,18,24,000	29,60,25,000
	CHARGED— <i>Repayment of Debt</i> . . .	..	1,88,94,19,000	1,88,94,19,000
121	Capital Outlay on Forest . . .	3,66,000	..	3,66,000
122	Purchases of Foodgrains . . .	13,11,00,000	..	13,11,00,000
123	Other Capital Outlay of the Ministry of Food and Agriculture	6,18,15,000	96,000	6,19,11,000
124	Capital Outlay of the Ministry of Health	83,42,000	..	83,42,000
125	Capital Outlay of the Ministry of Home Affairs	23,31,000	..	23,31,000

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No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
126	Capital Outlay on Broadcasting . . .	33,31,000	..	33,31,000
127	Capital Outlay on Multipurpose River Schemes . . .	35,97,000	..	35,97,000
128	Other Capital Outlay of the Ministry of Irrigation and Power . . .	12,000	..	12,000
129	Capital Outlay of the Ministry of Labour . . .	4,28,000	..	4,28,000
130	Other Capital Outlay of the Ministry of Natural Resources and Scientific Research . . .	27,45,000	..	27,45,000
131	Capital Outlay of the Ministry of Production . . .	81,14,000	..	81,14,000
132	Capital Outlay of the Ministry of Rehabilitation . . .	2,58,75,000	..	2,58,75,000
133	Capital Outlay on Ports . . .	39,82,000	..	39,82,000
134	Capital Outlay on Roads . . .	1,35,83,000	..	1,35,83,000
135	Other Capital Outlay of the Ministry of Transport . . .	11,55,000	..	11,55,000
136	New Delhi Capital Outlay . . .	57,12,000	5,000	57,17,000
137	Capital Outlay on Buildings . . .	74,67,000	..	74,67,000
138	Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	42,27,000	..	42,27,000
TOTAL . . .		94,87,27,000	228,43,12,000	323,30,39,000

**A
BILL**

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1935-56.

(As passed by the Houses of Parliament)

THE APPROPRIATION (No. 2) BILL, 1955

(AS INTRODUCED IN LOK SABHA)

A

BILL

To authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56.

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (No. 2) Act, 1955. *Short title.*
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1955 (8 of 1955)] to the sums of three thousand seven hundred and eleven crores, seventy-two lakhs and twenty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1955-56 in respect of the services specified in column 2 of the Schedule.
*Issue of Rs. 37,11,72,-
out of the
Consolidated
Fund of
India for the
year 1955-56*
3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.
Appropriation.

THE SCHEDULE

(See sections 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding		
		voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	
1	Ministry of Commerce and Industry	82,00,000	..	82,00,000
2	Industries	16,50,72,000	..	16,50,72,000
3	Commercial Intelligence and Statistics	53,71,000	..	53,71,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	64,66,000	..	64,66,000
5	Ministry of Communications	11,65,000	..	11,65,000
6	Indian Posts and Telegraph-Department (including working expenses)	48,85,41,000	2,37,44,000	51,22,85,000
7	Meteorology	1,25,71,000	..	1,25,71,000
8	Overseas Communication Service	99,79,000	5,67,000	1,05,46,000
9	Aviation	2,72,82,000	..	2,72,82,000
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	18,64,000	..	18,64,000
11	Ministry of Defence	30,74,000	..	30,74,000
12	Defence Service—Effective Army	1,55,88,19,000	..	1,55,88,19,000
13	Defence Service—Effective—Navy	12,72,44,000	..	12,72,44,000
14	Defence Service—Effective—Air Force	35,48,42,000	..	35,48,42,000
15	Defence Services—Non-effective Charges	16,33,95,000	5,000	16,34,00,000
16	Ministry of Education	54,50,000	..	54,50,000
	Archaeology	55,06,000	..	55,06,000

THE APPROPRIATION BILL, 1955 AS INTRODUCED

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No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
18	Other Scientific Departments	2,77,25,000	..	2,77,25,000
19	Education	17,97,17,000	..	17,97,17,000
20	Miscellaneous Departments and Expenditure under the Ministry of Education	2,62,28,000	..	2,62,28,000
21	Tribal Areas	5,82,67,000	..	5,82,67,000
22	External Affairs	6,77,45,000	..	6,77,45,000
23	State of Pondicherry	2,07,09,000	1,34,000	2,08,43,000
24	Miscellaneous Expenditure under the Ministry of External Affairs	2,05,000	..	2,05,000
25	Ministry of Finance	1,85,11,000	..	1,85,11,000
26	Customs	3,81,70,000	5,000	3,81,75,000
27	Union Excise Duties	6,71,95,000	16,66,46,000	23,38,41,000
28	Taxes on Income including Corporation Tax and Estate Duty	3,96,76,000	1,29,000	3,98,05,000
29	Opium	1,72,07,000	..	1,72,07,000
30	Stamps	1,31,91,000	5,93,000	1,37,84,000
31	Payments to other Governments, Departments, etc.	11,06,000	..	11,06,000
32	Audit	7,94,26,000	18,32,000	8,12,58,000
33	Currency	2,34,97,000	7,00,000	2,41,97,000
34	Mint	1,00,24,000	..	1,00,24,000
35	Territorial and Political Pensions	27,33,000	..	27,33,000
36	Superannuation Allowances and Pensions	3,51,02,000	12,08,000	3,63,10,000
37	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	21,03,86,000	..	21,03,86,000
38	Grants-in-aid to States	20,82,36,000	15,07,00,000,	35,89,06,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
39	Miscellaneous Adjustments between the Union and State Governments . . .	3,55,000	..	3,55,000
40	Pre-partition payments . . .	1,27,74,000	26,000	1,28,00,000
	<i>Charged.— Interest on Debt and other obligations and reduction or avoidance of debt.</i> . . .		1,01,32,22,000	1,01,32,22,000
41	Ministry of Food and Agriculture	62,99,000	..	62,99,000
42	Forest	95,93,000	..	95,93,000
43	Agriculture	14,71,85,000	..	14,71,85,000
44	Civil Veterinary Services . . .	78,06,000	..	78,06,000
45	Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	5,73,70,000	..	5,73,70,000
46	Ministry of Health	7,98,000	..	7,98,000
47	Medical Services	1,98,22,000	..	1,98,22,000
48	Public Health	6,49,93,000	..	6,49,93,000
49	Miscellaneous Expenditure under the Ministry of Health	88,03,000	..	88,03,000
50	Ministry of Home Affairs . . .	2,10,56,000	..	2,10,56,000
51	Cabinet	31,30,000	..	31,30,000
52	Delhi	1,61,28,000	..	1,61,28,000
53	Police	1,77,79,000	..	1,77,79,000
54	Census	20,00,000	..	20,00,000
55	Privy Purse and Allowances of Indian Rulers . . .	2,70,000	5,42,77,000	5,45,47,000
56	Andaman and Nicobar Islands . . .	2,00,32,000	..	2,00,32,000
57	Kutch	1,35,12,000	..	1,35,12,000
58	Manipur	93,34,000	..	93,34,000
59	Tripura	1,46,68,000	25,000	1,46,93,000
60	Relations with States . . .	45,68,000	..	45,68,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
61	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs . . .	Rs. 1,83,64,000	Rs. ..	Rs. 1,83,64,000
62	Ministry of Information and Broadcasting . . .	41,43,000	..	41,43,000
63	Broadcasting . . .	3,13,35,000	..	3,13,35,000
64	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting . . .	1,23,99,000	..	1,23,99,000
65	Ministry of Irrigation and Power . . .	11,43,000	..	11,43,000
66	Irrigation (including working expenses) Navigation, Embankment and Drainage Works met from Revenue . . .	25,000	..	25,000
67	Multi-purpose River Schemes . . .	1,04,67,000	..	1,04,67,000
68	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power . . .	64,71,000	..	64,71,000
69	Ministry of Labour . . .	34,30,000	..	34,30,000
70	Chief Inspector of Mines . . .	10,31,000	..	10,31,000
71	Miscellaneous Departments and Expenditure under the Ministry of Labour . . .	3,40,64,000	..	3,40,64,000
72	Employment Exchanges and Resettlement . . .	1,74,20,000	..	1,74,20,000
73	Civil Defence . . .	1,20,000	..	1,20,000
74	Ministry of Law . . .	1,38,52,000	..	1,38,52,000
75	Administration of Justice . . .	2,25,000	10,13,000	12,38,000
76	Ministry of Natural Resources and Scientific Research . . .	9,55,000	..	9,55,000
77	Survey of India . . .	1,52,44,000	..	1,52,44,000
78	Botanical Survey . . .	12,07,000	..	12,07,000
79	Zoological Survey . . .	5,17,000	..	5,17,000
80	Geological Survey . . .	74,26,000	..	74,26,000
81	Mines . . .	56,32,000	..	56,32,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Par- liament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs
82	Scientific Research . . .	5,18,47,000	..	5,18,47,000
83	Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research . . .	15,000	..	15,000
84	Department of Parliamentary Affairs . . .	1,72,000	..	1,72,000
85	Ministry of Production . . .	10,54,000	..	10,54,000
86	Salt	1,32,38,000	13,36,000	1,35,74,000
87	Other Organisations under the Ministry of Production	1,11,72,000	..	1,11,72,000
88	Government Collieries . . .	4,24,38,000	22,98,000	4,47,36,000
89	Miscellaneous Departments and Expenditure under the Ministry of Production . . .	98,14,000	..	98,14,000
90	Ministry of Rehabilitation . . .	25,65,000	..	25,65,000
91	Expenditure on Displaced Persons . . .	10,36,78,000	..	10,36,78,000
92	Miscellaneous Expenditure under the Ministry of Rehabilitation . . .	10,000	..	10,000
93	Ministry of Transport . . .	44,71,000	..	44,71,000
94	Ports and Pilotage . . .	68,65,000	..	68,65,000
95	Lighthouses and Lightships . . .	81,52,000	..	81,52,000
96	Central Road Fund . . .	4,60,48,000	..	4,60,48,000
97	Communications (including National Highways) . . .	5,06,52,000	..	5,06,52,000
98	Miscellaneous Expenditure under the Ministry of Transport . . .	35,21,000	..	35,21,000
99	Ministry of Works, Housing and Supply . . .	41,62,000	..	41,62,000
100	Supplies	80,05,000	..	2,80,05,000
101	Other Civil Works	18,65,69,000	24,33,000	18,90,02,000

I No. Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
			Rs.	
102	Stationery and Printing . . .	6,72,77,000	..	6,72,77,000
103	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply . . .	70,92,000	..	70,92,000
104	Parliament . . .	1,16,13,000	1,40,000	1,17,53,000
105	Miscellaneous Expenditure under the Parliament Secretariat . .	30,000	..	30,000
	Charged--Staff, Household and Allowances of the President . .	..	16.64.000	16.64.000
106	Secretariat of the Vice-President . . .	73,000	..	73,000
	Charged--Union Public Service Commission . .	..	27.09.000	27.09.000
107	Capital Outlay of the Ministry of Commerce and Industry . .	16,47,10,000	..	16,47,10,000
108	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue) . .	26,02,78,000		26,02,78,000
109	Capital outlay on Civil Aviation. . .	5,35,10,000	..	5,35,10,000
110	Other Capital Outlay of the Ministry of Communications . .	6,12,68,000	..	6,12,68,000
111	Defence Capital Outlay . .	24,64,00,000	..	24,64,00,000
112	Capital Outlay of the Ministry of Education . .	33,37,000	..	33,37,000
113	Capital Outlay of the Ministry of External Affairs . .	25,00,000	..	25,00,000
114	Capital Outlay of the Indian Security Press . .	3,50,000	..	3,50,000
115	Capital Outlay on Currency . .	7,84,80,000	..	7,84,80,000
116	Capital Outlay on Mints . .	50,30,000	..	50,30,000
117	Commututed value of pensions . .	74,26,000	..	74,26,000
118	Payments to Retrenched Personnel . .	46,000	..	46,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
119	Other Capital Outlay of the Ministry of Finance . . .	43,53,05,000	..	43,53,05,000
120	Loans and Advances by the Central Government . . .	65,04,15,000	2,90,18,93,000	3,55,23,08,000
	<i>Charged—Repayment of Debt.</i> . . .	..	22,67,30,33,000	22,67,30,33,000
121	Capital Outlay on Forests . . .	43,97,000	..	43,97,000
122	Purchases of foodgrains . . .	90,24,00,000	..	90,24,00,000
123	Other Capital Outlay of the Ministry of Food and Agriculture . . .	75,58,76,000	11,55,000	75,70,31,000
124	Capital Outlay of the Ministry of Health . . .	10,01,01,000	..	10,01,01,000
125	Capital Outlay of the Ministry of Home Affairs . . .	2,79,74,000	..	2,79,74,000
126	Capital Outlay on Broadcasting . . .	3,99,73,000	..	3,99,73,000
127	Capital Outlay on Multipurpose River Scheme . . .	4,31,64,000	..	4,31,64,000
128	Other Capital Outlay of the Ministry of Irrigation and Power . . .	1,40,000	..	1,40,000
129	Capital Outlay of the Ministry of Labour . . .	51,35,000	..	51,35,000
130	Capital Outlay of the Ministry of Natural Resources and Scientific Research . . .	3,29,40,000	..	3,29,40,000
131	Capital Outlay of the Ministry of Production . . .	9,73,65,000	..	9,73,65,000
132	Capital Outlay of the Ministry of Rehabilitation . . .	31,05,00,000	..	31,05,00,000
133	Capital Outlay on Ports . . .	4,77,86,000	..	4,77,86,000
134	Capital Outlay on Roads . . .	16,30,00,000	..	16,30,00,000
135	Other Capital Outlay of the Ministry of Transport . . .	1,38,60,000	..	1,38,60,000
136	New Delhi Capital Outlay . . .	6,85,44,000	59,000	6,86,03,000

THE APPROPRIATION BILL, 1955 AS INTRODUCED

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No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
137	Capital Outlay on buildings . . .	8,96,02,000	..	8,96,02,000
138	Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	5,07,24,000	..	5,07,24,000
GRAND TOTAL . . .		10,11,66,81,000	27,00,05,46,000	37,11,72,27,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made by the Lok Sabha for expenditure of the Central Government, excluding Railways, for the financial year 1955-56.

NEW DELHI;

The 26th February, 1955.

C. D. DESHMUKH.

102 Mot F

LOK SABHA

A
BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(Shri C. D. Deshmukh,
Minister of Finance.)

THE APPROPRIATION (No. 2) BILL, 1955

(AS PASSED BY THE HOUSES OF PARLIAMENT)



BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1955-56.

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (No. 2) Act, 1955. Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1955 (8 of 1955)] to the sums of three thousand seven hundred and eleven crores, seventy-two lakhs and twenty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1955-56 in respect of the services specified in column 2 of the Schedule.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

No. of Vote	Services and purposes	Sums not exceeding			Total
		Voted by Parliament	Charged on the Consolidated Fund		
		Rs.	Rs.		Rs.
1	Ministry of Commerce and Industry . . .	82,00,000	..		82,00,000
2	Industries . . .	16,50,72,000	..		16,50,72,000
3	Commercial Intelligence and Statistics . . .	53,71,000	..		53,71,000
4	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry . . .	64,66,000	..		64,66,000
5	Ministry of Communications .	11,65,000	..		11,65,000
6	Indian Posts and Telegraphs Department (including working expenses) . . .	48,85,41,000	2,37,44,000		51,22,85,000
7	Meteorology . . .	1,25,71,000	..		1,25,71,000
8	Overseas Communications Service . . .	99,79,000	5,67,000		1,05,46,000
9	Aviation . . .	2,72,82,000	..		2,72,82,000
10	Miscellaneous Departments and Expenditure under the Ministry of Communications	18,64,000	..		18,64,000
11	Ministry of Defence . . .	30,74,000	..		30,74,000
12	Defence Services—Effective—Army . . .	1,55,88,19,000	..		1,55,88,19,000
13	Defence Services—Effective—Navy . . .	12,72,44,000	..		12,72,44,000
14	Defence Services—Effective—Air Force . . .	35,48,42,000	..		35,48,42,000
15	Defence Services—Non-effective	16,33,95,000	5,000		16,34,00,000
16	Ministry of Education . . .	54,50,000	..		54,50,000
17	Archaeology . . .	55,06,000	..		55,06,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
18	Other Scientific Departments	2,77,25,000	..	2,77,25,000
19	Education	17,97,17,000	..	17,97,17,000
20	Miscellaneous Departments and Expenditure under the Ministry of Education	2,62,28,000	..	2,62,28,000
21	Tribal Areas	5,82,67,000	..	5,82,67,000
22	External Affairs	6,77,45,000	..	6,77,45,000
23	State of Pondicherry	2,07,09,000	1,34,000	2,08,43,000
24	Miscellaneous Expenditure under the Ministry of External Affairs	2,05,000	..	2,05,000
25	Ministry of Finance	1,85,11,000	..	1,85,11,000
26	Customs	3,81,70,000	5,000	3,81,75,000
27	Union Excise Duties	6,71,95,000	16,66,46,000	23,38,41,000
28	Taxes on Income including Corporation Tax and Estate Duty	3,96,76,000	1,29,000	3,98,05,000
29	Opium	1,72,07,000	..	1,72,07,000
30	Stamps	1,31,91,000	5,93,000	1,37,84,000
31	Payments to other Governments Departments, etc.	11,06,000	..	11,06,000
32	Audit	7,94,26,000	18,32,000	8,12,58,000
33	Currency	2,34,97,000	7,00,000	2,41,97,000
34	Mint	1,00,24,000	..	1,00,24,000
35	Territorial and Political Pensions	27,33,000	..	27,33,000
36	Superannuation Allowances and Pensions	3,51,02,000	12,08,000	3,63,10,000
37	Miscellaneous Departments and Other Expenditure under the Ministry of Finance	21,03,86,000	..	21,03,86,000
8	Grants-in-aid to States	20,82,06,000	15,07,00,000	35,89,06,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
39	Miscellaneous Adjustment between the Union and State Governments . . .	3,55,000	..	3,55,000
40	Pre-partition payments . . .	1,27,74,000	26,000	8,00,000
	<i>Charged.—Interest on Debt and other obligations and reduction or avoidance of debt. . .</i>		1,01,32,22,000	1,01,32,22,000
41	Ministry of Food and Agriculture . . .	62,99,000	..	62,99,000
42	Forest . . .	95,93,000	..	95,93,000
43	Agriculture . . .	14,71,85,000	..	14,71,85,000
44	Civil Veterinary Services . .	78,06,000	..	78,06,000
45	Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture . . .	5,73,70,000	..	5,73,70,000
46	Ministry of Health . . .	7,98,000	..	7,98,000
47	Medical Services . . .	1,98,22,000	..	1,98,22,000
48	Public Health . . .	6,49,93,000	..	6,49,93,000
49	Miscellaneous Expenditure under the Ministry of Health . . .	88,03,000	..	88,03,000
50	Ministry of Home Affairs . .	2,10,56,000	..	2,10,56,000
51	Cabinet . . .	31,30,000	..	31,30,000
52	Delhi . . .	1,61,28,000	..	1,61,28,000
53	Police . . .	1,77,79,000	..	1,77,79,000
54	Census . . .	20,00,000	..	20,00,000
55	Privy Purses and Allowances of Indian Rulers . . .	2,70,000	5,42,77,000	5,45,47,000
56	Andaman and Nicobar Islands . .	2,00,32,000	..	2,00,32,000
57	Kutch . . .	1,35,12,000	..	1,35,12,000
58	Manipur . . .	93,34,000	..	93,34,000
59	Tripura . . .	1,46,68,000	25,000	1,46,93,000
60	Relations with States . .	45,68,000	..	45,68,000

No. of Vote	Services and purposes	3		
		Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
61	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs . . .	Rs. 1,83,64,000	Rs. ..	Rs. 1,83,64,000
62	Ministry of Information and Broadcasting . . .	41,43,000	..	41,43,000
63	Broadcasting . . .	3,13,35,000	..	3,13,35,000
64	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting . . .	1,23,99,000	..	1,23,99,000
65	Ministry of Irrigation and Power . . .	11,43,000	..	11,43,000
66	Irrigation (including working expenses), Navigation Embankment and Drainage Works met from Revenue . . .	25,000	..	25,000
67	Multi-purpose River Schemes . . .	1,04,67,000	..	1,04,67,000
68	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power . . .	64,71,000	..	64,71,000
69	Ministry of Labour . . .	34,30,000	..	34,30,000
70	Chief Inspector of Mines . . .	10,31,000	..	10,31,000
71	Miscellaneous Departments and Expenditure under the Ministry of Labour . . .	3,40,64,000	..	3,40,64,000
72	Employment Exchanges and Resettlement . . .	1,74,20,000	..	1,74,20,000
73	Civil Defence . . .	1,20,000	..	1,20,000
74	Ministry of Law . . .	1,38,52,000	..	1,38,52,000
75	Administration of Justice . . .	2,25,000	10,13,000	12,38,000
76	Ministry of Natural Resources and Scientific Research . . .	9,55,000	..	9,55,000
77	Survey of India . . .	1,52,44,000	..	1,52,44,000
78	Botanical Survey . . .	12,07,000	..	12,07,000
79	Zoological Survey . . .	5,17,000	..	5,17,000
80	Geological Survey . . .	74,26,000	..	74,26,000
81	Mines . . .	56,32,000	..	56,32,000

I	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Par- liament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
82	Scientific Research . . .	5,18,47,000	..	5,18,47,000
83	Miscellaneous Departments and expenditure under the Ministry of Natural Resources and Scientific Research . . .	15,000	..	15,000
84	Department of Parliamentary Affairs . . .	1,72,000	..	1,72,000
85	Ministry of Production .	10,54,000	..	10,54,000
86	Salt . . .	1,32,38,000	3,36,000	1,35,71,000
87	Other Organisation under the Ministry of Production .	1,11,72,000	..	1,11,72,000
88	Government Collieries . . .	4,24,38,000	22,98,000	4,47,36,000
89	Miscellaneous Departments and Expenditure under the Ministry of Production .	98,14,000	..	98,14,000
90	Ministry of Rehabilitation .	25,65,000	..	25,65,000
91	Expenditure on Displaced persons . . .	10,36,78,000	..	10,36,78,000
92	Miscellaneous Expenditure under the Ministry of Rehabilitation . . .	10,000	..	10,000
93	Ministry of Transport . . .	44,71,000	..	44,71,000
94	Ports and Pilotage . . .	68,65,000	..	68,65,000
95	Lighthouses and Lightships .	81,52,000	..	81,52,000
96	Central Road Fund . . .	4,60,48,000	..	4,60,48,000
97	Communications (including National Highways) . . .	5,06,52,000	..	5,06,52,000
98	Miscellaneous Expenditure under the Ministry of Transport . . .	35,21,000	..	35,21,000
99	Ministry of Works, Housing and Supply . . .	41,62,000	..	41,62,000
100	Supplies . . .	2,80 ,000	..	2,80,05,000
101	Other Civil Works . . .	18,65,69,000	24,33,000	18,90,02,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolida- ted Fund	Total
		Rs.	Rs.	Rs.
102	Stationery and Printing . . .	6,72,77,000	..	6,72,77,000
103	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply . . .	70,92,000	..	70,92,000
104	Parliament . . .	1,16,13,000	1,40,000	1,17,53,000
105	Miscellaneous Expenditure under the Parliament Secretariat . . .	30,000	..	30,000
	<i>Charged—Staff, Household and Allowances of the President . . .</i>	..	16,64,000	16,64,000
106	Secretariat of the Vice-President . . .	73,000	..	73,000
	<i>Charged—Union Public Service Commission . . .</i>	..	27,09,000,	27,09,000
107	Capital Outlay of the Ministry of Commerce and Industry . . .	16,47,10,000	..	16,47,10,000
108	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue) . . .	26,02,78,000	..	26,02,78,000
109	Capital Outlay on Civil Aviation . . .	5,35,10,000	..	5,35,10,000
110	Other Capital Outlay of the Ministry of Communications . . .	6,12,68,000	..	6,12,68,000
111	Defence Capital Outlay . . .	24,64,00,000	..	24,64,00,000
112	Capital Outlay of the Ministry of Education . . .	33,37,000	..	33,37,000
113	Capital Outlay of the Ministry of External Affairs . . .	25,00,000	..	25,00,000
114	Capital Outlay of the India Security Press . . .	3,50,000	..	3,50,000
115	Capital Outlay on Currency . . .	7,84,80,000	..	7,84,80,000
116	Capital Outlay on Mints . . .	50,30,000	..	50,30,000
117	Commuted value of pensions . . .	74,26,000	..	74,26,000
118	Payments to Retrenched Personnel . . .	46,000	..	46,000

I No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consoli- dated Fund	Total
		Rs.	Rs.	Rs.
119	Other Capital Outlay of the Ministry of Finance . . .	43,53,95,000	..	43,53,95,000
120	Loans and Advances by the Central Government . . .	65,04,15,000	2,90,18,93,000	3,55,23,08,000
	<i>Charged—Repayment of Debt.</i> . . .	..	22,67,30,33,000	22,67,30,33,000
121	Capital Outlay on Forests . . .	43,97,000	..	43,97,000
122	Purchases of foodgrains . . .	90,24,00,000	..	90,24,00,000
123	Other Capital Outlay of the Ministry of Food and Agriculture . . .	75,58,76,000	11,55,000	75,70,31,000
124	Capital Outlay of the Ministry of Health . . .	10,01,01,000	..	10,01,01,000
125	Capital Outlay of the Ministry of Home Affairs . . .	2,79,74,000	..	2,79,74,000
126	Capital Outlay on Broadcasting . . .	3,99,73,000	..	3,99,73,000
127	Capital Outlay on Multipurpose River Schemes . . .	4,31,64,000	..	4,31,64,000
128	Other Capital Outlay of the Ministry of Irrigation and Power . . .	1,40,000	..	1,40,000
129	Capital Outlay of the Ministry of Labour . . .	51,35,000	..	51,35,000
130	Capital Outlay of the Ministry of Natural Resources and Scientific Research . . .	3,29,40,000	..	3,29,40,000
131	Capital Outlay of the Ministry of Production . . .	9,73,65,000	..	9,73,65,000
132	Capital Outlay of the Ministry of Rehabilitation . . .	31,05,00,000	..	31,05,00,000
133	Capital Outlay on Ports . . .	4,77,86,000	..	4,77,86,000
134	Capital Outlay on Roads . . .	16,30,00,000	..	16,30,00,000
135	Other Capital Outlay of the Ministry of Transport . . .	1,38,60,000	..	1,38,60,000
136	New Delhi Capital Outlay . . .	6,85,44,000	59,000	6,86,03,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
137	Capital Outlay on buildings . . .	8,96,02,000	..	8,96,02,000
138	Other Capital Outlay of the Ministry of Works, Housing and Supply . . . *	5,07,24,000	..	5,07,24,000
GRAND TOTAL . . .		10,11,66,81,000	27,00,05,46,000	37,11,72,27,000

BILL

to authorise payment and appropriation of certain sum from and out of the Consolidated Fund of India for the service of the financial year 1955-56.

(As passed by the Houses of Parliament)

THE FINANCE ACT, 1955

An Act to give effect to the financial proposals of the Central Government for financial year 1955-56.

Be it enacted by Parliament in the Sixth Year of the Republic of India as follows:

1. Short title.—This Act may be called the Finance Act, 1955.

2. Income-tax and Super-tax.—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the year beginning on the 1st day of April, 1955,—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule, increased in each case by a surcharge for purposes of the Union at the rate specified therein in respect of each such rate of income-tax, and

(b) rates of super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (XI of 1922) (hereinafter referred to as the Income-tax Act), be those specified in Part II of the First Schedule, increased in the cases to which Paragraphs A, B and C of that Part apply, by a surcharge for purposes of the Union at the rate specified therein in respect of each such rate of super-tax.

(2) In making any assessment for the year ending on the 31st day of March, 1956, there shall be deducted from the total income of an assessee,—

(i) in respect of the earned income, if any, chargeable under the head "salaries" which is included in his total income, an amount equal to one-fifth of such earned income, plus

(ii) in respect of the earned income, if any, other than the income chargeable under the head "salaries" which is included in his total income,—

(a) where such earned income does not exceed twenty five thousand rupees, an amount equal to one-fifth of such earned income;

(b) where such earned income exceeds twenty five thousand rupees, the amount, if any, arrived at after deducting from four thousand rupees, one-fifth of such excess:

Provided that the aggregate amount to be deducted under this sub-section shall not in any case exceed four thousand rupees.

(3) In making any assessment for the year ending on the 31st day of March, 1956,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "salaries" as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head "Interest on securities", or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1954 (17 of 1954) on his total income the same proportion as the amount of such inclusions bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1954 (17 of 1954), on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March, 1956,—

(a) where the total income of a company includes any profits and gains from life insurance business, the super-tax otherwise payable by the company on the whole of such total income shall be reduced by an amount which bears to that super-tax the same proportion as the amount of such inclusion bears to its total income or by an amount computed at the rate of—

(i) two annas in the rupee in the case of a mutual insurance company as defined in section 95 of the Insurance Act, 1938 (IV of 1938), and

(ii) one-and-a-half annas in the rupee in the case of any other company,

on the amount of such inclusion, whichever is less;

(b) where the total income of an assessee, not being a company, includes any profits and gains from life insurance business, the income-tax and super-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of such taxes payable

on his total income according to the rates applicable under the operation of the Indian Finance Act, 1942 (XII of 1942), increased in respect of each such rate by one-twentieth thereof, the same proportion as the amount of such inclusion bears to his total income, so however that the aggregate of the taxes so computed in respect of such inclusion shall not in any case exceed the amount of tax payable on such inclusion at the rate of five annas in the rupee.

(5) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, but with reference to the rates imposed by sub-section (1), and in accordance, where applicable with the provisions of sub-sections (2), (3) and (4) of this section.

(6) For the purposes of making any deduction of income-tax in the year beginning on the 1st day of April, 1955, under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act, from any earned income chargeable under the head "salaries", the estimated total income of the assessee under that head shall, in computing the income-tax to be deducted, be reduced—

(i) where such earned income does not exceed twenty-five thousand rupees, by an amount equal to one-fifth of such earned income but not exceeding in any case four thousand rupees;

(ii) where such earned income exceeds twenty-five thousand rupees, by the amount, if any, arrived at after deducting from four thousand rupees one-fifth of such excess;

but no abatement shall be allowed by the person responsible for paying the salary in respect of any donations made by the assessee to which section 15B of the Income-tax Act is or may be applicable.

(7) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. Amendment of section 2, Act XI of 1922.—In section 2 of the Income-tax Act.—

(1) after clause (5A), the following clauses shall be inserted, namely:—

"(5B) 'co-operative society' means a co-operative society registered under the Co-operative Societies Act, 1912 (II of 1912) or under any other law for the time being in force in any State for the registration of co-operative societies.";

(2) in clause (6A),—

(i) in sub-clause (b), for the words "or debenture-stock", the words "debenture-stock or deposit certificates in any form, whether with or without interest," shall be substituted;

(ii) in sub-clause (c), the proviso and the word "and" at the end thereof shall be omitted;

(iii) for the two provisos occurring after sub-clause (d), the following shall be substituted, namely:—

"(e) any payment by a company, not being a company in which the public are substantially interested within the meaning of section 23A, of any sum (whether as representing a part of the assets of the company or otherwise) by way of advance or loan to a shareholder or any payment by any such company on behalf or for the individual benefit of a shareholder, to the extent to which the company in either case possesses accumulated profits;

but 'dividend' does not include—

(i) a distribution made in accordance with sub-clause (c) or sub-clause (d) in respect of any share issued for full cash consideration where the holder of the share is not entitled in the event of liquidation to participate in the surplus assets;

(ii) any advance or loan made to a shareholder by a company in the ordinary course of its business where the lending of money is a substantial part of the business of the company;

(iii) any dividend paid by a company which is set off by the company against the whole or any part of any sum previously paid by it and treated as a dividend within the meaning of sub-clause (e), to the extent to which it is so set off.

Explanation.—The expression "accumulated profits", wherever it occurs in this clause, shall not include capital gains arising before the 1st day of April, 1946, or after the 31st day of March, 1948.";

(3) for clause (6C), the following clause shall be substituted, namely:—

"(6C) 'income' includes—

(i) dividend;

(ii) the value of any perquisite or profit in lieu of salary taxable under section 7;

(iii) the value of any benefit or perquisite, whether convertible into money or not, obtained from a company, either by a director or by any other person who has a substantial interest in the company (that is to say, who is concerned in the management of the business of the company, being the beneficial owner of shares, not being shares entitled to a fixed rate of dividend whether with or without a right to participate in profits, carrying not less than twenty per cent. of the voting power), and any sum paid by any such company in respect of any obligation which but for such payment would have been payable by the director or other person aforesaid;

(iv) any sum deemed to be profits under the second proviso to clause (vii) of sub-section (2) of section 10 and any sum deemed to be profits and gains under sub-section (2A) of that section or under sub-section (5) of section 12;

(v) any sum deemed to be profits and gains of business, profession or vocation under sub-section (5A) of section 10;

(vi) any capital gain chargeable under section 12B;

(vii) the profits and gains of any business of insurance carried on by a mutual insurance association or by a co-operative society computed in accordance with rule 9 in the Schedule";

(4) after clause (8), the following clause shall be inserted, namely:—

"(8A) 'manager' and 'managing agent' have the meanings respectively assigned to them in the Indian Companies Act, 1913 (VII of 1913)."

4. Amendment of section 4, Act XI of 1922.—In section 4 of the Income-tax Act,—

(a) in the fifth proviso to sub-section (1), for clauses (i), (ii) and (iii), the following clauses shall be substituted, namely:—

"(i) such income, profits and gains are brought into or received in the taxable territories after the 2nd day of September, 1951, and the amount of income-tax, interest or penalty or other sum, if any, due from such person under this Act on the date of receipt of such income, profits and gains in the taxable territories is paid within three months of the receipt thereof in the taxable territories; and

(ii) in any case where such income, profits and gains are brought into or received in the taxable territories after the 2nd day of September, 1951, and before the 30th day of September, 1954, half of the amount of such income, profits and gains is invested within three months of the receipt thereof in the taxable territories in securities of the Central Government or of a State Government purchased through the Reserve Bank of India and kept with the said Bank for custody for a minimum period of two years.";

(b) in sub-section (3),—

(1) for paragraph (a) of the proviso to clause (i), the following shall be substituted, namely:—

"(a) if it is applied to religious or charitable purposes without the taxable territories, but in the following cases, namely:—

(i) where the property is held under trust or other legal obligation created before the commencement of the Indian Income-tax (Amendment) Act, 1953 (25 of 1953) and the income therefrom is applied to such purposes without the taxable territories; and

(ii) where the property is held under trust or other legal obligation created after such commencement, and the income therefrom is applied without the taxable territories to charitable purposes which tend to promote international welfare in which India is interested,

the Central Board of Revenue may, by general or special order, direct that it shall not be included in the total income;";

(2) for clause (vi), the following clauses shall be substituted, namely:—

"(vi) Any special allowance or benefit, not being in the nature of an entertainment allowance or other perquisite within the meaning of sub-section (1) of section 7, specifically granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit, to the extent to which such expenses are actually incurred for that purpose.

(via) Subject to such conditions as the Central Government may prescribe, passage moneys or the value of any free or concessional passage received by or due to any person, not being a citizen of India, from his employer for himself, his wife and children in connection with his proceeding on home leave out of India;";

(3) after clause (xiv), the following clause shall be inserted, namely:—

"(xiva) Any income chargeable under the head 'salaries' received by or due to any person, not being a citizen of India, during the financial year in which he arrived in India and the financial year next following as remuneration for services rendered by him as a technician in any business carried on in India in any case where such person was not resident therein in any of the four financial years immediately preceding the financial year in which he arrived in India:

Provided that where during the financial year of arrival and the year next following, such person has been in India for a period of, or for periods amounting in all to, three hundred and sixty five days or more, only so much of the income aforesaid as is received by or due to him during the financial year in which he arrived in India shall not be included in his total income:

Provided further in the case of a person referred to in this clause, whose contract of service was approved by Government before the commencement of his service, this clause shall have effect as if for the words "and the financial year next following", the words "and the two financial years next following" had been substituted and as if the proviso immediately preceding had been omitted.";

(4) for clause (xvii), the following clauses shall be substituted, namely:—

“(xvii) Interest on the 3½ per cent 10 year Treasury Savings Deposit Certificates or the monthly payments on the 15 Year Annuity Certificates issued by or under the authority of the Central Government for an amount not exceeding the maximum amount which is permitted to be invested therein.

(xviii) Interest on deposits in Post Office Savings Bank, Post Office Cash Certificates, Post Office National Savings Certificates and Post Office 10 Year National Plan Certificates for amounts not exceeding in each case the maximum amount which is permitted to be deposited or invested therein.”;

(5) after clause (xx), the following clauses shall be inserted, namely:—

“(xxi) Any income of a member of a Scheduled Tribe, as defined in clause (25) of article 366 of the Constitution, residing in any area specified in Part A or Part B of the table appended to paragraph 20 of the Sixth Schedule to the Constitution, provided that such member is not in the service of Government.

(xxii) Any payment made, whether in cash or in kind, by the Central Government or any State Government in pursuance of gallantry awards instituted or approved by the Central Government.”

5. Substitution of new section for section 7 in Act XI of 1922.—For section 7 of the Income-tax Act, the following section shall be substituted, namely:—

“7. Salaries.—(1) The tax shall be payable by an assessee under the head ‘salaries’ in respect of any salary or wages, any annuity, pension or gratuity, and any fees, commissions, perquisites or profits in lieu of, or in addition to, any salary or wages, which are allowed to him by or are due to him, whether paid or not, from or are paid by or on behalf of, the Government, a local authority, a company or any other public body or association, or any private employer; and for the purposes of this sub-section advances by way of loan or otherwise of income chargeable under this head shall be deemed to be salary due on the date when the advance is received:

Provided that the tax shall not be payable in respect of any sum deducted from the salary payable by or on behalf of the Government to any individual, being a sum deducted in accordance with the conditions of his service, for the purpose of securing to him a deferred annuity or making provision for his wife or children provided that the sum so deducted shall not exceed one-sixth of the salary:

Provided further that where tax is deductible at the source under section 18, the assessee shall not be called upon to pay the tax himself unless he has received the salary without such deduction.

Explanation 1.—For the purposes of this section, ‘perquisite’ includes,—

(i) the value of rent-free accommodation or the value of any concession in the matter of rent respecting any accommodation provided to the assessee by his employer;

(ii) the value of any benefit or amenity granted or provided by a company free of cost or at concessional rate to an employee who is a director thereof or who is substantially interested in the company within the meaning of sub-clause (iii) of clause (6C) of section 2;

(iii) the value of any benefit or amenity granted or provided to an assessee [not being an assessee to whom the provisions of clause (ii) apply] by his employer free of cost or at concessional rate in any case where the income of the assessee under head “salaries” exclusive of the value of all benefits of amenities not provided for by way of monetary payment exceeds eighteen thousand rupees;

(iv) any sum paid by the employer in respect of any obligation which but for such payment would have been payable by the assessee; and

(v) any sum payable by the employer, whether directly or through a fund to which the provisions of Chapters IXA and IXB do not apply, to effect an assurance on the life of the assessee or in respect of a contract for an annuity on the life of the assessee;

Explanation 2.—For the purposes of this section, “profits in lieu of salary” includes,—

(i) the amount of any compensation due to or received by an assessee from his employer or former employer at or in connection with, the termination of his employment, whether solely as compensation for loss of employment or for any other consideration;

(ii) any payment due to or received by an assessee from an employer or former employer or from a provident or other fund, to the extent to which it does not consist of contributions by the assessee or interest on such contributions:

Provided that nothing herein contained shall render liable to income-tax any payment of death cum retirement gratuity received after the 16th day of April, 1950, under the Revised Pension Rules of the Central Government or under any similar scheme of a State Government or any payment from a provident fund to which the Provident Funds Act, 1925 (XIX of 1925), applies, or any payment from a recognised provident fund within the meaning of Chapter IXA if such payment is exempted from payment of income-tax under the provisions of Chapter IXA, or any payment from an approved superannuation fund within the meaning of Chapter IXB made on the death of a beneficiary or in lieu of or in commutation of an annuity, or by way of refund of contributions on the death of a beneficiary or on his leaving the employment in connection with which the fund is established.

(2) The income chargeable under this section shall be computed after making the following deductions, namely:—

(i) any amount not exceeding five hundred rupees, expended by the assessee on the purchase of books and other publications necessary for the purpose of his duties;

(ii) in respect of any allowance in the nature of an entertainment allowance specifically granted to the assessee by his employer, a sum equal to one-fifth of his remuneration (exclusive of any special allowance, benefit or other perquisites) or seven thousand five hundred rupees, whichever is less, except in any case where the assessee was not in receipt of such entertainment allowance regularly from his present employer before the year beginning on the 1st day of April, 1955;

(iii) any amount actually expended by the assessee, which he, by the conditions of his service, is required to spend out of his remuneration [exclusive of the allowance referred to in sub-clause (ii)], wholly, necessarily and exclusively in the performance of his duties.”

6. Amendment of section 8, Act XI of 1922.—In the first proviso to section 8 of the Income-tax Act, for the words “in respect of any sum deducted from such interest by way of commission by a banker realizing such interest on behalf of the assessee”, the words “in respect of any reasonable sum deducted by a banker from such interest by way of commission or paid to any other person by way of remuneration for realizing such interest on behalf of the assessee” shall be substituted.

7. Amendment of section 9, Act XI of 1922.—In section 9 of the Income-tax Act,—

(1) for the first proviso to sub-section (2), the following proviso shall be substituted, namely:—

“Provided that, where the property is in the occupation of the owner for the purposes of his own residence, the annual value thereof shall first be determined in the same manner as if the property had been let to a tenant and the amount so determined shall be reduced by one-half of it or eighteen hundred rupees, whichever is less, so however that where the sum so reduced exceeds ten per cent. of the total income of the owner, the annual value of the property shall be deemed to be ten per cent. of such total income;”;

(2) in clause (a) of the third proviso to sub-section (2), the words “or one-eighth of the annual value of the property, whichever is less,” shall be omitted;

(3) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) For the purposes of this section—

(a) the holder of an imitable estate shall be deemed to be the individual owner of all the properties comprised in the estate;

(b) a member of a co-operative society to whom a building built by the society is allotted or leased under a house-building scheme of the society shall be deemed to be the owner of that building."

8. Amendment of section 10, Act XI of 1922.—In section 10 of the Income-tax Act.—

(1) in sub-section (2),—

(i) in clause (vi),—

(a) for the words "or the machinery or plant being new has been installed," the words "or the machinery or plant being new, not being machinery or plant entitled to the development rebate under clause (vib), has been installed," shall be substituted;

(b) in paragraph (c) of the proviso, for the words "the aggregate of all such allowances made under this Act or any Act repealed hereby", the words "the aggregate of all allowances in respect of depreciation made under this clause and clause (via) or under any Act repealed hereby," shall be substituted;

(ii) the proviso to clause (via) shall be omitted;

(iii) after clause (via), the following clause shall be inserted, namely:—

"(vib) in respect of machinery or plant being new, which has been installed after the 31st day of March, 1954, and which is wholly used for the purposes of the business carried on by the assessee, a sum by way of development rebate in respect of the year of installation equivalent to twenty-five per cent. of the actual cost of such machinery or plant to the assessee:

Provided that no allowances under this clause shall be made unless the particulars prescribed for the purpose of clause (vi) have been furnished by the assessee in respect of such machinery or plant.";

(iv) for clause (xiii), the following clause shall be substituted, namely:—

"(xiii) any sum paid to a scientific research association having as its objects the undertaking of scientific research related to the class or business carried on, and any sum paid to a university, college or other institution to be used for scientific research, research in social science or statistical research related to the class of business carried on:

Provided that such association university, college or institution is for the time being approved for the purposes of this clause by the prescribed authority.";

(2) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) Where, for the purpose of computing profits or gains under this section, an allowance or deduction has been made in the assessment for any year in respect of any loss.

expenditure or trading liability incurred by the assessee and, subsequently during any previous year, the assessee has received, whether in cash or in any other manner whatsoever, any amount in respect of such loss or expenditure or has obtained some benefit in respect of such trading liability by way of remission or cessation thereof, the amount received by him or the value of the benefit accruing to him shall be deemed to be profits and gains of business, profession or vocation and to have accrued or arisen during that previous year.”;

(3) in sub-section (5), after the proviso to clause (a), the following further proviso shall be inserted, namely:—

“Provided further that where before the date of acquisition by the assessee, the assets, which belonged to the assessee and had been used by him for the purposes of his business, profession or vocation, had ceased to be his property by reason of transfer or otherwise, the actual cost to the assessee shall be the actual cost to him when he first acquired the assets less all depreciation actually allowed to him under this Act or under any Act repealed hereby or under executive orders issued when the Indian Income-tax Act, 1886 (II of 1886), was in force.”;

(4) after sub-section (5), the following sub-section shall be inserted, namely:—

“(5A) Any compensation or other payment due to or received by,—

(a) a managing agent of an Indian Company at or in connection with the termination or modification of his managing agency agreement with the company;

(b) a manager of an Indian Company at or in connection with the termination of his office or modification of the terms and conditions relating thereto;

(c) any person, by whatever name called, managing the whole or substantially the whole affairs of any other company in the taxable territories, at or in connection with the termination of his office or the modification of the terms and conditions relating thereto;

(d) any person, by whatever name called, holding an agency in the taxable territories for any part of the activities relating to the business of any other person, at or in connection with the termination of his agency or the modification of the terms and conditions relating thereto,

shall be deemed to be profits and gains of a business carried on by the managing agent, manager or other person, as the case may be, and shall be liable to tax accordingly; and the tax on such compensation or other payment shall, if the assessee so elects, be computed at the average of the rates of income-tax and super-tax applicable to his total income for the three years immediately preceding the previous year in which the compensation or other payment was due or received.”

9. Amendment of section 12, Act XI of 1922.—In section 12 of the Income-tax Act,—

(1) after sub-section (1), the following sub-sections shall be inserted, namely:—

“(1A) Income from other sources shall include dividends.

“(1B) Any payment by a company to a shareholder by way of advance or loan which would have been treated as a dividend within the meaning of clause (e) of sub-section (6A) of section 2 in any previous year relevant to any assessment year prior to the assessment year ending on the 31st day of March, 1956 had that clause been in force in that year, shall be treated as a dividend received by him in the previous year relevant to the assessment year ending on the 31st day of March, 1956, if such loan or advance remained outstanding on the first day of such previous year.”;

(2) in sub-section (2), after the words “for the purpose of making or earning such income, profits or gains”, the words “and further in the case of any income by way of dividend, for any reasonable sum paid by way of commission or remuneration to a banker or any other person realising such dividend on behalf of the assessee” shall be inserted;

(3) after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) The provisions of sub-section (2A) of section 10 shall apply, so far as may be, in computing income, profits and gains of an assessee under this section as they apply in computing profits or gains of an assessee under that section.”

10. Amendment of section 14, Act XI of 1922.—In section 14 of the Income-tax Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(3) The tax shall not be payable by a co-operative society, including a co-operative society carrying on the business of banking—

(i) in respect of profits and gains of business carried on by it;

(ii) in respect of interest and dividends derived from its investments with any other co-operative society;

(iii) in respect of any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities;

(iv) in respect of any interest on securities chargeable under section 8 or any income from property chargeable under section 9, where the total income of such society does not exceed twenty thousand rupees and the society is not a housing society or an urban consumers' society or a society carrying on transport business:

Provided that nothing contained in this sub-section shall apply to—

(i) the Sanikatta Saltowners' Society in the State of Bombay;

(ii) a co-operative society carrying on insurance business in respect of the profits and gains of that business computed in accordance with rule 9 in the Schedule.

Explanation.—For the purposes of this sub-section, an “urban consumers’ co-operative society” means a society for the benefit of consumers within the limits of a municipal corporation, municipality, municipal committee, notified area committee, town area or cantonment.

(4) The tax shall not be payable by an assessee, who is a member of a co-operative society, in respect of any dividends received by him from the society.

(5) The tax shall not be payable by an assessee, which is an authority constituted under any law for the time being in force for the marketing of commodities, in respect of any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities.”

11. Amendment of section 15, Act XI of 1922.—In sub-section (3) of section 15 of the Income-tax Act, for the words “exceed in the case of an individual, one-sixth of the total income of the assessee or six thousand rupees, whichever is less, and in the case of a Hindu undivided family, one-sixth of the total income of the assessee, or twelve thousand rupees, whichever is less”, the following shall be substituted, namely:—

“exceed in the case of an individual, one-fifth of the total income of the assessee or eight thousand rupees, whichever is less, and in the case of a Hindu undivided family, one-fifth of the total income of the assessee or sixteen thousand rupees, whichever is less.”

12. Amendment of section 15C, Act XI of 1922.—In sub-section (5) of section 15C of the Income-tax Act, the words “and for the purposes of that section, the expression ‘assessable income’ shall be deemed to include the profits or gains in respect of which the tax is not payable under this section” shall be omitted.

13. Amendment of section 16, Act XI of 1922.—In sub-section (1) of section 16 of the Income-tax Act, in clause (a), for the words, figures and brackets “any sums exempted under the second proviso to sub-section (1) of section 7, the second and third provisos to section 8, sub-section (2) of section 14”, the words, figures and brackets “any sums exempted under the first proviso to sub-section (1) of section 7, the second and third provisos to section 8, sub-sections (2), (3), (4) and (5) of section 14” shall be substituted.

14. Amendment of section 18A, Act XI of 1922.—In sub-section (5) of section 18A of the Income-tax Act, for the words “The Central Government shall pay on any amount paid under this section simple interest at two per cent. per annum from the date of payment”, the following shall be substituted, namely:—

“The Central Government shall pay simple interest—

(i) at two per cent. per annum on any amount payable in accordance with the provisions of this section before the 1st day of April, 1955, and paid accordingly;

(ii) at four per cent. per annum on any amount payable in accordance with the provisions of this section after the 1st day of April, 1955, and paid accordingly; from the date of payment".

15. Substitution of new section for section 23A in Act XI of 1922.— For section 23A of the Income-tax Act, the following section shall be substituted, namely:—

"23A. Power to assess companies to super-tax on undistributed income in certain cases.—(1) Subject to the provisions of sub-sections (3) and (4), where the Income-tax Officer is satisfied that in respect of any previous year the profits and gains distributed as dividends by any company within the twelve months immediately following the expiry of that previous year are less than sixty per cent. of the total income of the company of that previous year as reduced by—

(a) the amount of income-tax and super-tax payable by the company in respect of its total income, but excluding the amount of any super-tax payable under this section;

(b) the amount of any other tax levied under any law for the time being in force on the company by the Government or by a local authority in excess of the amount, if any, which has been allowed in computing the total income; and

(c) in the case of a banking company, the amount actually transferred to a reserve fund under section 17 of the Banking Companies Act, 1949 (X of 1949);

the Income-tax Officer shall, unless he is satisfied that having regard to losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable, make an order in writing that the company shall, apart from the sum determined as payable by it on the basis of the assessment under section 23, be liable to pay super-tax at the rate of four annas in the rupee on the undistributed balance of the total income of the previous year, that is to say, on the total income reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) and the dividends actually distributed, if any:

Provided that—

(a) in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments; and

(b) in the case of any other company where the reserves (including the amounts capitalised from the earlier reserves) representing accumulations of past profits which have not been the subject of an order under this sub-section, exceed either the aggregate of—

(i) the paid-up capital of the company exclusive of the capital, if any, created out of its profits and gains which have not been the subject of an order under this sub-section, and

(ii) any loan capital which is the property of the shareholders.

or the actual cost of the fixed assets of the company, whichever of these is greater,

this section shall apply as if for the words "sixty per cent. of the total income," wherever they occur, the words "the whole of the total income" had been substituted.

(2) No order under sub-section (1) shall be made—

(i) in the case of a company referred to in clause (a) of the proviso to that sub-section, which has distributed not less than ninety per cent. of its total income as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) of that sub-section, or

(ii) in the case of any other company which has distributed not less than fifty-five per cent. of its total income as reduced by the amounts, if any, aforesaid, or

(iii) in any case where according to the return made by a company under section 22, it has distributed not less than sixty per cent. of its total income as reduced by the amounts, if any, aforesaid, but in the assessment made by the Income-tax Officer under section 23 a higher total income is arrived at, and the difference in the total income does not arise out of the application of the proviso to section 13 or sub-section (4) of section 23 or the omission by the company to disclose its total income fully and truly,

unless the company, on receipt of a notice from the Income-tax Officer that he proposes to make such an order, fails to make within three months of the receipt of such notice a further distribution of its profits and gains so that the total distribution made is not less than sixty per cent. of the total income of the company of the relevant previous year as reduced by the amounts, if any, aforesaid.

(3) Where on an application presented to him in this behalf by a company within the period of twelve months referred to in sub-section (1) or within period of three months referred to in sub-section (2), the Commissioner of Income-tax is satisfied, having regard to the current requirements of the company's business or such other requirements as may be necessary or advisable for the maintenance and development of that business, the declaration or payment of a dividend or a larger dividend than that proposed to be declared or paid would be unreasonable, he may reduce the amount of the minimum distribution required of that company under sub-section (1) to such figure as he may consider fit and further determine the period within which such distribution should be made.

(4) If any company, being an Indian company engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, is dissatisfied with the decision of the Commissioner of Income-tax under sub-section (3), it may, by application in the prescribed form made within thirty days of the date on which such decision is communicated to it and accompanied by a fee of one hundred rupees, require the Commissioner of Income-tax to refer the matter to Board of Referees consisting of two officers

of the Central Government not below the rank of Joint Secretary, appointed in this behalf by the Central Government, and the Board of Referees may, after giving the company an opportunity of being heard, confirm, cancel or vary the order of the Commissioner of Income-tax.

(5) The decision of the Commissioner of Income-tax under sub-section (3) or of the Board of Referees under sub-section (4), as the case may be, shall be final as respects matters concluded by it and no appeal shall lie to the Appellate Assistant Commissioner of Income-tax or to the Appellate Tribunal and no reference shall lie to the High Court in respect of such decision.

(6) Where, in respect of any one or more of the three previous years immediately preceding the previous year, the profits and gains distributed as dividends by a company are in excess of sixty per cent. of its total income of the relevant previous year as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) of sub-section (1), but in respect of the previous year the profits and gains distributed as dividends by it are less than sixty per cent. of its total income similarly reduced, so much of the said excess, if any, as has not been adjusted under this sub-section in a preceding year, shall be taken into account in determining whether an order under sub-section (1) should be made in respect of the previous year.

(7) The provisions of sub-section (6) shall apply to the profits and gains of a previous year not earlier than the previous year relevant to the assessment year ending on the 31st day of March, 1957, but in the application of that sub-section to the profits and gains of the previous year relevant to the assessment year ending on the 31st day of March, 1957, that sub-section shall be construed as if for the word "three" the word "one" had been substituted, and in its application to the profits and gains of the previous year relevant to the assessment year ending on the 31st day of March, 1958, as if for the word "three", the word "two" had been substituted.

(8) Except in cases where a decision is given by the Commissioner of Income-tax under sub-section (3) or the Board of Referees under sub-section (4), no order shall be made by the approval of the Inspecting Assistant Commissioner of Income-tax has been obtained, and the Inspecting Assistant Commissioner shall not give his approval to any order proposed to be made by the Income-tax Officer until he has given the company concerned an opportunity of being heard.

(9) Nothing contained in this section shall apply to any company in which the public are substantially interested or to a subsidiary company of such company if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year.

Explanation.—For the purposes of this section, a company shall be deemed to be company in which the public are substantially interested—

(a) if it is a company owned by the Government or in which not less than forty per cent. of the shares are held by the Government;

(b) if it is not a private company as defined in the Indian Companies Act, 1913 (VII of 1913) and

(i) its shares (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) carrying not less than fifty per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and were throughout the previous year beneficially held by the public (not including a company to which the provisions of this sub-section apply):

Provided that in the case of any such company as is referred to in sub-section (4), this sub-clause shall apply as if for the words "not less than fifty per cent.", the words "not less than forty per cent." had been substituted;

(ii) the said shares were at any time during the previous year the subject of dealings in any recognised stock exchange in India or were freely transferable by the holder to other members of the public; and

(iii) the affairs of the company or the shares carrying more than fifty per cent. of the total voting power were at no time during the previous year controlled or held by less than six persons (persons who are related to one another as husband, wife, lineal ascendant or descendant, brother or sister, as the case may be, being treated as a single person and persons who are nominees of another person together with that other person being likewise treated as a single person):

Provided that in the case of any such company as is referred to in sub-section (4), this clause shall apply as if for the words "more than fifty per cent.", the words "more than sixty per cent." had been substituted."

16. Amendment of section 24, Act XI of 1922.—In sub-section (2) of section 24 of the Income-tax Act.—

(1) for the words beginning with "where any assessee sustains a loss of profits" and ending with "three, four and five years, respectively", the following shall be substituted, namely:—

"Where any assessee sustains a loss of profits or gains in any year, being a previous year not earlier than the previous year for assessment for the year ending on the 31st day of March, 1940, in any business, profession or vocation, and the loss cannot be wholly set off under sub-section (1), so much of the loss as is not so set off or the whole loss where the assessee had no other head of income shall be carried forward to the following year, and

(i) where the loss was sustained by him in a business consisting of speculative transactions, it shall be set off only against the profits and gains, if any, of any business in speculative transactions carried on by him in that year;

(ii) where the loss was sustained by him in any other business, profession or vocation, it shall be set off against the profits and gains, if any, of any business, profession or vocation carried on by him in that year:

provided that the business, profession or vocation in which the loss was originally sustained continued to be carried on by him in that year; and

(iii) if the loss in either case cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following year and so on:”;

(2) after clause (e) of the proviso, the following clause shall be inserted, namely:—

“(f) A loss arising in the previous years for the assessment for the year ending on the 31st day of March of the years 1940, 1941, 1942, 1943 and 1944 shall be carried forward for one, two, three, four and five years respectively, and a loss arising in the previous years for the assessment for the years ending on the 31st day of March of the years 1945, 1946, 1947, 1948 and 1949 shall be carried forward for six years, and such loss shall be set off only against the profits and gains, if any, of the assessee from the same business, profession or vocation.”

17. Amendment of section 56A, Act XI of 1922.—In sub-section (1) of section 56A of the Income-tax Act, in clause (i), after item (10), the following shall be inserted namely:—

- “(11) Automobiles;
- (12) Tractors;
- (13) Cement;
- (14) Electric Motors;
- (15) Locomotives;
- (16) Rolling Stock;
- (17) Machine Tools;
- (18) Agricultural Implements;
- (19) Ferro-manganese;
- (20) Dye-stuffs.”

18. Amendment of section 60A, Act XI of 1922.—In section 60A of the Income-tax Act,—

(1) for the words “or to any Part B State”, the words “or to any Part B State or to Chandernagore” shall be substituted;

(2) in the proviso, for the words “and in the case of the State of Jammu and Kashmir,” the words “and in the case of the State of Jammu and Kashmir and Chandernagore” shall be substituted.

19. Amendment of Schedule, Act XI of 1922.—In rule 9 of the Schedule to the Income-tax Act, the words “or by a co-operative society” shall be added at the end.

20. Commencement of amendments to Act XI of 1922.—(1) Save as otherwise expressly provided in this section, the amendments to the Income-tax Act made by sections 3 to 19 shall have effect on and from the 1st day of April, 1955.

(2) The amendments made in the Income-tax Act by sub-section (5) of section 4 and sub-section (3) of section 8 shall also apply in relation to assessments for any year before the 1st day of April, 1955, whether such assessments have completed or not.

(3) The amendments made in the Income-tax Act by section 5 shall, for the purposes of making any deduction of Income-tax under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act, have effect on and from the 1st day of April, 1955, and, for other purposes, shall have effect on and from the 1st day of April, 1956.

(4) For the removal of doubts, it is hereby declared that the provisions of section 23A of the Income-tax Act, as in force immediately before the 1st day of April, 1955 shall continue to apply to a company in respect of its profits and gains of a previous year relevant to any assessment year prior to the assessment year ending on the 31st day of March, 1956, and also to its share holders referred to in sub-section (1) of section 23A as then in force in respect of their appropriate previous years, notwithstanding that the relevant assessment years in respect of such previous years end on or after the 31st day of March, 1956.

21. Amendment of Act XXXII of 1934.—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Second Schedule.

22. Additional duties of Customs.—When any goods chargeable with a duty of Customs under the First Schedule to the Tariff Act, or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall, up to the 31st day of March, 1956, be levied and collected as an addition to, and in the same manner as, the total amount so chargeable—

(a) a sum equal to 155 per cent. of such amount, in the case of goods comprised in Item No. 22(4);

(b) a sum equal to 55 per cent. of such amount, in the case of goods comprised in Items Nos. 48 and 51(2), and in the case of textile manufactures specified in Item No. 49 when made wholly or mainly of any of the fabrics specified in Items Nos. 48, 48(1), 48(4), 48(5), 48(7) or 48(10);

(c) a sum equal to 45 per cent. of such amount, in the case of goods comprised in Item No. 47(2);

(d) a sum equal to 25 per cent. of such amount, in the case of goods comprised in any of the Items of the said Schedule other than those specified in clause (a), (b) and (c) of this section or in the Third or the Fourth Schedule to this Act; and

(e) a sum equal to 5 per cent. of such amount, in the case of goods comprised in any of the Items of the said Schedule specified in the Fourth Schedule to this Act.

23. Amendment of Act I of 1949.—In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1955", the figures "1956" shall be substituted.

24. Substitution of new section for section 4 in Act I of 1944.—In section 4 of the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), the following section shall be substituted, namely:—

"4. Determination of value for the purposes of duty.—Where under this Act, any article is chargeable with duty at

a rate dependent on the value of the article, such value shall be deemed to be—

(a) the wholesale cash price for which an article of the like kind and quality is sold or is capable of being sold at the time of the removal of the article chargeable with duty from the factory or any other premises of manufacture or production for delivery at the place of manufacture or production, or if a wholesale market does not exist for such article at such place, at the nearest place where such market exists, or

(b) where such price is not ascertainable, the price at which an article of the like kind and quality is sold or is capable of being sold by the manufacturer or producer, or his agent, at the time of the removal of the article chargeable with duty from such factory or other premises for delivery at the place of manufacture or production, or if such article is not sold or is not capable of being sold at such place, at any other place nearest thereto.

Explanation.—In determining the price of any article under this section, no abatement or deduction shall be allowed except in respect of trade discount and the amount of duty payable at the time of the removal of the article chargeable with duty from the factory or other premises aforesaid."

25. Amendment of First Schedule, Act I of 1944.—In the First Schedule to the Central Excises Act,—

(i) in Item No. 2,—

(a) for sub-items 1(ii) and 1(iii), the following sub-items shall be substituted, namely:—

- | | |
|---|---|
| (ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day. | Two rupees and thirteen annas per gross of boxes. |
| (iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day. | Two rupees and ten annas per gross of boxes |
| (iv) does not exceed twenty-five gross of boxes per day. | Two rupees and seven annas per gross of boxes. |

(b) for sub-items 2(ii) and 2(iii), the following sub-items shall be substituted, namely:—

- | | |
|---|--|
| (ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day. | One rupee and fourteen annas per gross of boxes. |
| (iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day. | One rupee and twelve annas per gross of boxes. |
| (iv) does not exceed twenty-five gross of boxes per day. | One rupee and ten annas per gross of boxes. |

(ii) in Item No. 8, for the entry in the last column against sub-item (1), the following entry shall be substituted, namely:—

“Five rupees and ten annas per cent”;

(iii) in Item No. 9, for sub-item II(2), the following shall be substituted, namely:—

Per thousand.

“(2) Cigarettes of which the value—

(i) exceeds Rs. 50 a thousand

Twenty-one rupees and eight annas.

(ii) exceeds Rs. 35 a thousand, but does not exceed Rs. 50 a thousand.

Nineteen rupees

(iii) exceeds Rs. 30 a thousand, but does not exceed Rs. 35 a thousand.

Ten rupees and eight annas.

(iv) exceeds Rs. 25 a thousand, but does not exceed Rs. 30 a thousand.

Nine rupees and eight annas.

(v) exceeds Rs. 20 a thousand, but does not exceed Rs. 25 a thousand.

Six rupees and eight annas.

(vi) exceeds Rs. 15 a thousand, but does not exceed Rs. 20 a thousand.

Five rupees and eight annas.

(vii) exceeds Rs. 10 a thousand, but does not exceed Rs. 15 a thousand.

Two rupee and twelve annas.

(viii) exceeds Rs. 7/8/- a thousand but does not exceed Rs. 10 a thousand.

One rupee and eight annas.

(ix) does not exceed Rs. 7/8/- a thousand.

one rupee.”;

(iv) for Item No. 12, the following Item shall be substituted, namely:—

“12. COTTON FABRICS—

“Cotton fabrics” mean all varieties of fabrics manufactured either wholly or partly from cotton, and include dhoties, sarees, chadars, bed-sheets, bed-spreads, counterpanes and table-cloths, but do not include any such fabric—

(a) if it contains 40 per cent. or more by weight of wool;

(b) if it contains 60 per cent. or more by weight of rayon or artificial silk; or

(c) if manufactured on a handloom.

(1) Cotton fabrics, superfine—

that is to say, fabrics in which the average count of yarn is 48s or more . Two annas per square yard.

(2) Cotton fabrics , fine—

that is to say, fabrics in which the average count of yarn is 35s or more but is less than 48s. One anna and three pies per square yard.

(3) Cotton fabrics, medium—

that is to say, fabrics in which the average count of yarn is 17s or more but is less than 35s. Six pies per square yard.

(4) Cotton fabrics, course—

that is to say, fabrics in which the average count of yarn is less than 17s. Six pies per square yard."

Explanation I.—"Count" means count of grey yarn.

Explanation II.—For the purpose of determining the average count of yarn, the following rules shall apply, namely:—

(a) Yarn used in the borders or selvedges shall be ignored.

(b) For multiple-fold yarn, the count of the basic single yarn shall be taken and the number of ends per inch in the reed or the number of picks per inch, as the case may be, shall be multiplied by the number of plies in the yarn.

(c) The average count shall be obtained by applying the following formula, namely:—

"(Count of warp \times number of ends per inch in the reed)+(Count of weft \times number of picks per inch)

(Number of ends per inch in the reed) + (Number of picks per inch),

the result being rounded off, wherever necessary, by treating any fraction which is one-half or more as one, and disregarding any fraction which is less than one-half."

Explanation III.—For the purposes of this Item, "staple fibre" shall not be deemed to be rayon or artificial silk.";

(v) for Item No. 12A, the following Item shall be substituted, namely:—

"12A. RAYON OR ARTIFICIAL SILK FABRICS—

"Rayon or Artificial Silk Fabrics" include all varieties of fabrics manufactured either wholly or partly from rayon or artificial silk, but do not include any such fabric— Six pies per square yard.

(i) if it contains 40 per cent. or more by weight of wool;

(ii) if it contains cotton and less than 60 per cent. by weight of rayon or artificial silk ;

(iii) if it contains no cotton and less than 40 per cent. by weight of wool and less than 40 per cent. by weight of rayon or artificial silk ;

(iv) if manufactured on a handloom ;

(v) if manufactured by or on behalf of the same person in one or more factories in which less than twenty-five powerlooms in all are installed.

Explanation.—For the purposes of this Item, “staple fibre” shall not be deemed to be rayon or artificial silk.”;

(vi) after Item No. 12A, the following Item shall be inserted, namely:—

“12B. WOOLLEN FABRICS—

“Woollen fabrics” mean all varieties of fabrics manufactured wholly of wool or which contain 40 per cent. or more by weight of wool, and include blankets, lohis, rugs and shawls, but do not include any such fabric.—

Six and a quarter per cent. *ad valorem*.

- (i) if manufactured on a handloom ;
- (ii) if manufactured by or on behalf of the same person in one or more factories in which less than five powerlooms in all are installed.”;

(vii) for Item No. 16, the following Item shall be substituted, namely:—

“16. SOAP, that is to say, all varieties of the product known commercially as soap , in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power, including steam for heating.

- | | |
|---|-------------------------------------|
| (1) Soap, household and laundry, manufactured in any factory whose output of such soap exceeds one hundred and twenty-five tons per year— | |
| (a) in plain bars of not less than one pound in weight | Rupees five and annas four per cwt. |
| (b) other sorts | Rupees six and annas two per cwt. |
| (2) Soap, toilet, manufactured in any factory whose output of such soap exceeds fifty tons per year. | Rupees fourteen per cwt. |
| (3) Soap, other than household and laundry or toilet. | Fourteen rupees per cwt..”; |

(viii) after Item No 17, the following Items shall be inserted, namely:—

“18. ELECTRIC FANS, including air circulators but excluding those which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose, and parts of such electric fans—

- | | |
|---|----------------------|
| (1) Table, cabin, carriage, pedestal and air circulator fans, not exceeding sixteen inches. | Five rupees per fan. |
| (2) All other fans | Ten rupees per fan. |

(3) Parts of fans above, the following, namely, complete motors, stators and rotors—	
(a) if designed for use in respect of any fan falling within sub-item (1)—	
(i) Complete motors	Three rupees per motor.
(ii) Stators	One rupee and eight annas per stator.
(iii) Rotors	One rupee and eight annas per rotor.
(b) if designed for use in respect of any fan falling within sub-item (2)—	
(i) complete motors	Six rupees per motor
(ii) Stators	Three rupees per stator.
(iii) Rotors	Three rupees per rotor.

19. ELECTRIC LIGHTING BULBS AND FLOURESCENT LIGHTING TUBES—

(1) Vacuum and gas-filled bulbs.—	
(i) not exceeding 100 watts, and train lighting bulbs.	One anna per bulb.
(ii) exceeding 100 watts but not exceeding 300 watts, and engine headlight bulbs.	Four annas per bulb.
(iii) exceeding 300 watts	Eight annas per bulb.
(2) Flourescent tubes	Four annas per foot.
(3) Bulbs not otherwise specified	Four annas per bulb.

20. ELECTRIC BATTERIES, AND PARTS THEREOF—

(1) Dry	Ten per cent. <i>ad- valorem.</i>
(2) Storage	Ten per cent. <i>ad- valorem.</i>
(3) Parts of storage batteries, the following, namely, containers, covers and plates.	Ten per cent. <i>ad- valorem.</i>

21. PAPER, all sorts, including pasteboard, millboard, and cardboard but excluding straw- board, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power :—

Printing and writing paper	One anna per lb.
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(2) Wrapping paper—

(a) kraft	One anna per lb.
(b) brown	One anna per lb.

(3) Paper, special varieties—

(a) blotting, toilet, target, tissue other than cigarette tissue, teleprinter, typewriting, manifold, bank and bond.	One anna and three pies per lb.
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(b) Cigarette tissue	Two annas and six pies per lb.
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(4) Paper, not otherwise specified, including art paper, chrome paper, tabsized paper, cheque paper, stamp paper, cartridge paper.	One anna and three pies per lb.
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(5) Paper Board—

(a) duplex and triplex	One anna per lb.
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(b) pulp board	One anna per lb.
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(c) other board—

(i) coated board (art, chrome and board for playing cards).	One anna and three pies per lb.
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(ii) mill board	Six pies per lb.
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(d) board, not otherwise specified, including manilla and corrugated board.	One anna per lb.
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22. PIGMENTS, COLOURS, PAINTS, ENAMELS, VARNISHES, BLACKS AND CELLULOSE LACQUERS.

I. (1) Pigments, colours, paints and enamels, all sorts

(i) Zinc oxide, red lead, white lead and titanium dioxide white.	Eight rupees per cwt.
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(ii) Aluminium paste	Four annas per lb.
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(2) Dry colours, namely, the following lead chromes and brunswick green.	Seven rupees per cwt. in the case of a manufacturer whose output of dry colours exceeds 100 tons per year;
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Five rupees per cwt. in the case of a manufacturer whose output of dry colours exceeds 10 tons but does not exceed 100 tons per year, and

Nil in the case of a manufacturer whose output of dry colours does not exceed 10 tons per year.

(3) Water paints--

- (i) Dry distemper including cement-based water paints.
 - Seven rupees per cwt. in the case of a manufacturer whose output of water paints exceeds 100 tons per year ;
 - Five rupees per cwt. in the case of a manufacturer whose output of water paints exceeds 50 tons but does not exceed 100 tons per year ; and
 - Nil* in the case of a manufacturer whose output of water paints does not exceed 50 tons per year.
- (ii) Oil-bound distemper
 - Twelve rupees per cwt. in the case of a manufacturer whose output of water paints exceeds 100 tons per year ;
 - Nine rupees per cwt. in the case of a manufacturer whose output of water paints exceeds 50 tons but does not exceed 100 tons per year ; and
 - Nil* in the case of a manufacturer whose output of water paints does not exceed 50 tons per year.
- (ii) Water pigment finishes for leather
 - One rupee and eight annas per imperial gallon in the case of a manufacturer whose output of water paints exceeds 100 tons per year ;

One rupee and two annas per imperial gallon in the case of manufacturer whose output of water paints exceeds 50 tons but does not exceed 100 tons per year ; and

Nil in the case of a manufacturer whose output of water paints does not exceed 50 tons per year.

(iv) Plastic emulsion paint Three rupees and eight annas per imperial gallon in the case of a manufacturer whose output of water paints exceeds 100 tons per year ;

Two rupees and eight annas per imperial gallon in the case of a manufacturer whose output of water paints exceeds 50 tons but does not exceed 100 tons per year ; and

Nil in the case of a manufacturer whose output of water paints does not exceed 50 tons per year ;

(4) Oil paints and enamels—

(i) Tinting paste (Blue) Four annas per lb. in the case of a manufacturer whose output of oil paints and enamels exceeds 1,000 tons per year ;

Three annas per lb. in the case of a manufacturer whose output of oil paints and enamels exceeds 50 tons but does not exceed 1,000 tons per year ; and

	<i>Nil</i> in the case of a manufacturer whose output of oil paints and enamels does not exceed 50 tons per year.
(ii) Stiff paints and ready-mixed paints sold by weight.	Seven rupees per cwt. in the case of a manufacturer whose output of oil paints and enamels exceeds 1,000 tons per year; Five rupees per cwt. in the case of a manufacturer whose output of oil paints and enamels exceeds 50 tons but does not exceed 1,000 tons per year, and
	<i>Nil</i> in the case of a manufacturer whose output of oil paints and enamels does not exceed 50 tons per year.
(iii) Ready-mixed paints and enamels sold by volume.	Two rupees per imperial gallon in the case of a manufacturer whose output of oil paints and enamels exceeds 1,0000 tons per year ; One rupee and eight annas per imperial gallon in the case of a manufacturer whose output of oil paints and enamels exceeds 50 tons but does not exceed 1,000 tons per year; and
	<i>Nil</i> in the case of a manufacturer whose output of oil paints and enamels does not exceed 50 tons per year.

Explanation.—For the purposes of sub-items I(3) and I(4), the exemption from the duty of excise, in the case of manufacturer whose output of the articles specified in the said sub-items does not exceed

fifty tons, shall apply only so long as the total output of all kinds of such articles does not exceed fifty tons.

- (5) Pigments, colours, paints and enamels not otherwise specified. Seven rupees per cwt if sold by weight, Two rupees per imperial gallon if sold by volume.

II. Varnishes and blacks—

- (i) Varnishes One rupee per imperial gallon in the case of a manufacturer whose output of varnishes and blacks exceeds 1,00,000 imperial gallons per year; Twelve annas per imperial gallon in the case of a manufacturer whose output of varnishes and blacks exceeds 12,000 imperial gallons but does not exceed 1,00,000 imperial gallons per year ; and Nil in the case of a manufacturer whose output of varnishes and blacks does not exceed 12,000 imperial gallons per year.
- (ii) Bituminous and coal tar blacks Ten annas per imperial gallon in the case of a manufacturer whose output of varnishes and blacks exceeds 1,00,000 imperial gallons per year ; Seven annas per imperial gallon in the case of a manufacturer whose output of varnishes and blacks exceeds 12,000 imperial gallons but does not exceed 1,00,000 imperial gallons per year ; and

Nil in the case of a manufacturer whose output of varnishes and blacks does not exceed 12,000 imperial gallons per year.

III. Cellulose lacquers—

(i) Nitrocellulose lacquers, clear and pigmented	Five rupees per imperial gallon in the case of manufacturer whose output exceeds 24,000 imperial gallons per year ;
	Three rupees and twelve annas per imperial gallon in the case of a manufacturer whose output exceeds 4,000 but does not exceed 24,000 imperial gallons per year ;
	Three rupees and two annas per imperial gallon in the case of a manufacturer whose output does not exceed 4,000 imperial gallons per year.
(ii) Nitrocellulose ancillaries	Three annas per lb. if sold by weight Three rupees and two annas per imperial gallon if sold by volume.

26. Certain duties of excise to apply to excisable goods lying in factories on commencement of Act.—The amendment made by clauses (vi) and (viii) of section 25 in the First Schedule to the Central Excises Act, shall apply to the excisable goods specified therein which are lying on the commencement of this Act within the precincts of any factory or other premises where the said goods were manufactured or produced or in any premises appurtenant thereto, as they apply to such goods manufactured or produced on or after such commencement.

27. Additional duties of excise.—When any goods chargeable with a duty of excise under the First Schedule to the Central Excises Act are assessed to duty, there shall, up to the 31st day of March, 1956, be

levied and collected, as an addition to, and in the same manner as, the total amount so chargeable, a surcharge of five per cent. of such amount on motor spirit as defined in Item No. 4 of that Schedule.

28. Amendment of Act 12 of 1953.—In the Khadi and other Hand-loom Industries Development (Additional Excise Duty on Cloth) Act, 1953—

(1) for clause (b) of section 2, the following clause shall be substituted, namely:—

“(b) ‘cloth’ means cotton, woollen, and rayon or artificial silk fabrics, as defined in the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944).”;

(2) in sub-section (1) of section 3, for the words “per yard” the words “per square yard” shall be substituted.

29. Discontinuance of salt duty.—(1) For the year beginning on the 1st day of April, 1955, no duty under the Central Excises Act or the Tariff Act shall be levied in respect of salt manufactured in or imported by sea or land into India.

(2) In section 8 of the Finance Act, 1953 (14 of 1953) and in section 12 of the Finance Act, 1954 (17 of 1954), for the words “no duty”, the words and figures “no duty under the Central Excises and Salt Act, 1944, or the Indian Tariffs Act, 1934” shall be substituted and shall be deemed always to have been substituted.

30. Excise and customs duties collected before commencement of Act not to be refunded.—Notwithstanding anything contained in the Provision Collection of Taxes Act, 1931 (XVI of 1931), no refund shall be made of any duties of excise or customs collected before the commencement of this Act by virtue of a declared provision within the meaning of that Act contained in the Finance Bill 1955.

THE FIRST SCHEDULE

(See section 2)

PART I

Rates of Income-tax

A. (i) In the case of every individual who is married and every Hindu undivided family,—

	Rate	Surcharge
1. On the first Rs. 2,000 of total income	<i>Nil</i>	<i>Nil</i>
2. On the next Rs. 3,000 of total income	Nine pies in the rupee.	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 2,500 of total income	One anna and nine pies in the rupee.	Ditto.
4. On the next Rs. 2,500 of total income	Two annas and three pies in the rupee.	Ditto.
5. On the next Rs. 5,000 of total income	Three annas and three pies in the rupee.	Ditto.
6. On the balance of total income	Four annas in the rupees.	Ditto.

(ii) in the case of every individual who is not married and every unregistered firm or other association of persons, not being a case to which paragraph B or paragraph C of this Part applies,—

	Rate	Surcharge
1. On the first Rs. 1,000 of total income	<i>Nil</i>	<i>Nil</i>
2. On the next Rs. 4,000 of total income	Nine pies in the rupee.	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 2,500 of total income	One anna and nine pies in the rupee.	Ditto.
4. On the next Rs. 2,500 of total income	Two annas and three pies in the rupee.	Ditto.
5. On the next Rs. 5,000 of total income	Three annas and three pies in the rupee.	Ditto.
6. On the balance of total income	Four annas in the rupee.	Ditto.

Provided that—

(i) no income-tax shall be payable on a total income which before deduction of the allowance, if any, for earned income, does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds the said limit;

(iii) the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(a) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds the said limit the same proportion as such reduced total income bears to the unreduced total income, or

(b) the income-tax payable on the income so reduced at the rates herein specified,

whichever is less.

The limit referred to in the above proviso shall be—

(i) in the case of every Hindu undivided family which as at the end of the previous year had—

(a) at least two members entitled to claim partition	Rs. 8,400
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(b) at least four members entitled to claim partition	12,600
--	--------

Provided that in the case referred to in sub-clause (a) none of the members and in the case referred to in sub-clause (b) none of the minimum number of four members,—

(a) is less than eighteen years of age; or

(b) is lineally descended from another member or along with another member is lineally descended from any other living member of the family not entitled to claim partition, and

(ii) in every other case	Rs. 4,200
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Provided further that—

(i) no surcharge shall be payable on a total income which before deduction of the allowance, if any, for earned income does not exceed the limit specified below;

(ii) the surcharge payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds the said limit.

The limit referred to in the above proviso shall be—

(i) in the case of every Hindu undivided family which satisfies the conditions laid down in the preceding proviso and had as at the end of the previous year—

(a) at least two members entitled to claim partition	Rs. 400
---	------------

	Rs.
(b) at least four members entitled to claim partition and	21,600
(ii) in every other case	7,200.

Explanation.—For the purposes of this paragraph, in the case of every Hindu undivided family governed by the Mitakshara law, a son shall be deemed to be entitled to claim partition of the co-parcenary property against his father or grandfather, notwithstanding custom to the contrary.

B. In the case of every company—

	Rate	Surcharge
On the whole of total income	Four annas in the rupee..	One-twentieth of the rate speci- fied in the pre- ceding column :

Provided that in the case of a company which, in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1956, has made the prescribed arrangements for the declaration and payment within the territory of India, of the dividends payable out of such profits, and has deducted super-tax from the dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act—

(i) where the total income, as reduced by seven annas in the rupee and by the amount, if any, exempt from income-tax, exceeds the amount of any dividends (including dividends payable at a fixed rate) declared in respect of the whole or part of the previous year for the assessment for the year ending on the 31st day of March, 1956, and the company is a company to which the provisions of section 23A of the Income-tax Act cannot be made applicable, a rebate shall be allowed at the rate of one anna per rupee on the amount of such excess;

(ii) where the amount of dividends referred to in clause (i) above exceeds the total income as reduced by seven annas in the rupee and by the amount, if any, exempt from income-tax, there shall be charged on the total income an additional income-tax equal to the sum, if any, by which the aggregate amount of income-tax actually borne by such excess (hereinafter referred to as "the excess dividend") falls short of the amount calculated at the rate of five annas per rupee on the excess dividend.

For the purposes of the above proviso, the expression "dividend" shall have the meaning assigned to it in clause (6A) of section 2 of the Income-tax Act, but any distribution included in that expression, made during the year ending on the 31st day of March, 1956, shall be deemed to be a dividend declared in respect of the whole or part of the previous year.

For the purposes of clause (ii) of the above, proviso the aggregate amount of income-tax actually borne by the excess dividend shall be determined as follows:—

(i) the excess dividend shall be deemed to be out of the whole or such portion of the undistributed profits of one or more

years immediately preceding the previous year as would be just sufficient to cover the amount of the excess dividend and as have not likewise been taken into account to cover an excess dividend of a preceding year;

(ii) such portion of the excess dividend as is deemed to be out of the undistributed profits of each of the said years shall be deemed to have borne tax,—

(a) if an order had been made under sub-section (1) of section 23A of the Income-tax Act, in respect of the undistributed profits of that year, at the rate of five annas in the rupee, and

(b) in respect of any other year, at the rate applicable to the total income of the company, for that year reduced by the rate at which rebate, if any, was allowed on the undistributed profits.

C. In the case of every local authority and in every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate—

	Rate	Surcharge
On the whole of total income	Four annas in the rupee.	One-twentieth of the rate specified in the preceding column.

PART II

Rates of Super-tax

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other paragraph of this Part applies—

	Rate	Surcharge
1. On the first Rs. 20,000 of total income	<i>Nil</i>	<i>Nil</i>
2. On the next Rs. 5,000 of total income	One anna in the rupee.	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 15,000 of total income	Three annas in the rupee.	Ditto.
4. On the next Rs. 10,000 of total income	Five annas in the rupee.	Ditto.
5. On the next Rs. 10,000 of total income	Six annas in the rupee.	Ditto.
6. On the next Rs. 20,000 of total income	Seven annas in the rupee.	Ditto.

7. On the next Rs. 20,000 of total income.	Eight annas in the rupee.	One-twentieth of the rate specified in the preceding column.
8. On the next Rs. 50,000 of total income	Nine annas in the rupee.	Ditto.
9. On the balance of total income	Nine and a half annas in the rupee.	Ditto.

B. In the case of every local authority :—

	Rate	Surcharge
On the whole of total income	Two and a half annas in the rupee.	Three pies in the rupee.

C. In the case of an association of persons being a co-operative society as defined in clause (S.B) of section 2 of the Income-tax Act (other than the Sanikatta Saltowners Society in the State of Bombay)—

	Rate	Surcharge
1. On the first Rs. 25,000 of total income	Nil	Nil
2. On the balance of total income	Two and a half annas in the rupee.	Three pies in the rupee.

D. In the case of every company :—

	Rate
On the whole of total income	Four annas and nine pies in the rupee :

Provided that—

(i) a rebate at the rate of three annas per rupee of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1956, has made the prescribed arrangements for the declaration and payment in India of the dividend payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act, and

(b) is a public company with total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of two annas per rupee of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b), of the preceding clause; and

(iii) a rebate at the rate of one anna and six pies per rupee on so much of the total income as consists of dividends from a subsidiary Indian company, and a rebate at the rate of six pies per rupee on any other income included in the total income shall be allowed in the case of any company which, not being entitled to a rebate under either of the preceding clauses, is—

(a) a public company, or

(b) a company all of whose shares were held at the end of the previous year by one or more public companies:

Provided further that the super-tax payable by a company the total income of which exceeds Rs. 25,000 shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000, and

(b) half the amount by which its total income exceeds Rs. 25,000.

Explanation.—For the purposes of this paragraph of this Part, a company shall be deemed to be a public company only if it is a company in which the public are substantially interested within the meaning of the *Explanation* to section 23A of the Income-tax Act.

THE SECOND SCHEDULE

(See section 21)

PART I

In the First Schedule to the Tariff Act,—

- (a) In Item No. 28(8), in the entry in the second column, the words "calcium carbide" shall be omitted.
- (b) In Items Nos. 30, 30(2), 30(11), 49(4) and 73(18), to each of the existing entries in the fourth and fifth columns, the words "plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be added.
- (c) In Items Nos. 30(3), 30(4), 30(14), 44, 44(4), 48(2), 48(4), 48(5), 48(6), 49(3), 60(2), 60(5) and 73(15), to each of the existing entries in the fourth column, the words "plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be added.
- (d) In Items Nos. 36(2), 37, 37(1), 38, 71(2) and 71(3), for the existing entries against each of them in the fourth column, the entry "66 2/3 per cent. *ad valorem*" shall be substituted.
- (e) In Items Nos. 50(1) and 50(4), for the existing entries against each of them in the fourth column, the entry "31 $\frac{1}{4}$ per cent *ad valorem*" shall be substituted, and in the third column, the entry "Revenue" shall be inserted against each Item.
- (f) In Item No. 59(4), for the existing entry in the fourth column, the entry "66 2/3 per cent. *ad valorem* or 12 annas per square foot, whichever is higher" shall be substituted.
- (g) In Item No. 71(13), to each of the existing entries in the fourth column, the words "or ten annas per foot, whichever is higher" shall be added.
- (h) In Item No. 72(33), for the existing entry in the fourth column, the entry "37 $\frac{1}{2}$ per cent. *ad valorem*" shall be substituted.
- (i) In Item No. 73(2), in the entry in the second column, the words "also accumulators, and batteries not otherwise specified" shall be omitted.
- (j) In Item No. 73(18), in the entry in the second column, after the words "air circulators", the words "and parts of electric fans" shall be inserted.

PART II

In the First Schedule to the Tariff Act, for Items Nos. 45, 60 (8) and 73 (7), the following items shall be substituted and such substitutions shall be inserted in their appropriate places :—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
45 (a)	Articles made of paper and papier mache, pasteboard, millboard, Revenue 66 2/3 per cent. <i>ad valorem</i> .	<i>ad</i>	..	..	..	..
	cardboard and strawboard ; labels, advertising circulars, sheet or card almanacs and calendars.					
(b)	Stationery, nor otherwise specified, including drawing and copy books, Christmas, Easter and other cards, including cards in booklet form ; including also waste paper.	Revenue 39 3/8 per cent. <i>ad valorem</i>.	..	..	..	..
(c)	Slates, all sorts	Revenue 39 3/8 per cent. <i>ad valorem</i>.	..	..	..	..
60(8) (a)	Vacuum flasks, complete	Revenue 66 2/3 per cent. <i>ad valorem</i> or Rs. 4 per flask, whichever is higher.	..	..	..	..
(b)	Refills or inners for vacuum flasks	Revenue 66 2/3 per cent. <i>ad valorem</i> or Rs. 3 per refill or inner, whichever is higher.	..	..	..	..
73 (7)	Batteries, not otherwise specified, all kinds—					
	(a) Accumulators for train lighting and parts thereof	Revenue 10 per cent. <i>ad valorem</i> plus the excise duty for the time being leviable on	..	..	..	..

like articles if produced ~~for~~ manufactured in India, and where such duty is leviable at different rates, the highest duty.

- (b) Batteries, including accumulators, not falling within sub-item Revenue (a) and parts of batteries.

31 1/2 per cent. *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable ~~at~~ at different rates, the highest duty.

PART III

Item No,	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of	
				The United Kingdom	A British Colony
In the First Schedule to the Tariff Act,—					
				(i) after Item No. 28 (32), the following Item shall be inserted , namely :—	
28(33)	Calcium carbide	.	.	Revenue 50 per cent. <i>ad valorem.</i>	..
					..
				(ii) after Item No. 77 (6), the following Item shall be inserted, namely:—	
77(7)	Goggles, sun glasses and glare glasses	.	.	Revenue 50 per cent. <i>ad valorem.</i>	

PART IV

In the Second Schedule to Tariff Act, for item No. 5, the following items, shall be substituted, namely :—

Item No.	Name of article	Per	Rate of duty
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When the price of tea :

- (i) does not exceed Rs. 2-8-0 per lb.
 - (ii) exceeds Rs. 2-8-0 per lb. but does not exceed Rs. 3-4-0 per lb.
 - (iii) exceeds Rs. 3-4-0 per lb. but does not exceed Rs. 4-0-0 per lb.
 - (iv) exceeds Rs. 4-0-0 per lb. but does not exceed Rs. 4-12-0 per lb.
 - (v) exceeds Rs. 4-12-0 per lb.

Explanation.—“Price of tea” means the price which the Central Government may, having regard to world prices of tea, fix for this purpose from time to time by notification in the Official Gazette.

(2) In the Second Schedule to the following entry shall be substituted:

² I am using "Count" to mean count of grey var.

Joint
Committee
of
Manufacturers
of
Varnish
and
Paints
of
the
United
States
of
America
in
Washington,
D. C.,
on
January
15, 1913.

- (i) Yarn used in the borders or selvedges shall be ignored.

(ii) For multiple-fold yarn, the count of the basic single yarn shall be taken and the number of ends per inch in the reed or the number of picks per inch, as the case may be, shall be multiplied by the number of plies in the yarn.

(iii) The average count shall be obtained by applying the following formula, namely :—

(Count of warp x number of ends per inch) + (count of weft x number of picks per inch).

(Number of ends per inch in the reed) + (Number of picks per inch).
the result being rounded off, wherever necessary, by treating any fraction which is one-half or more; as one, and disregarding any fraction which is less than one-half."

THE THIRD SCHEDULE

(See section 22)

Goods on which additional duty of customs is not leviable.

Goods comprised in the following Items of the First Schedule to the Tariff Act, namely:—

1(1), 2, 4(1), 4(3), 4(4), 4(5), 7(1), 8(3), 8(4), 8(5), 9(3), 9(4), 9(5), 9(6), 12(6), 13(8), 13(9), 15(5), 15(9), 15(10), 15(11), 15(12), 16, 16(1), 16(3), 18, 19, 19(1), 19(2), 19(3), 20, 20(1), 20(2), 20(3), 20(4), 20(6), 20(7), 20(8), 20(9), 21, 21(4), 21(5), 21(6), 21(7), 21(8), 21(9), 22(1), 22(2), 22(3), 22(5), 27(1), 27(3), 27(4), 27(9), 28A, 28(14), 28(21), 28(22), 28(23), 28(24), 28(25), 28(26), 28(26A), 28(27), 28(28), 28(29), 28(30), 28(33), 30(1), 30(2), 30(6), 30(7), 30(11), 30(12), 30(13), 31(4), 31(5), 32(1), 32(2), 36(2), 37, 37(1), 37(2), 38, 40(2), 40(6), 40(7), 42, 44(1), 44(4), 44(7), 45, 45(3), 45(4), 45(5), 45(6), 48(1), 48(2), 48(3), 48(4), 48(5), 48(6), 48(7), 48(8), 48(9), 48(10), 49(c), 49(1), 49(2), 49(3), 50(1), 50(3), 50(4), 51, 52, 52(4), 53(2), 54, 55(1), 55(2), 55(3), 56, 56(1), 59(2), 59(3), 59(4), 59(5), 60, 60(2), 60(4), 60(5), 60(7), 60(8), 61, 61(11), 63(12), 63(15), 63(18), 70(2), 70(3), 70(10), 70(11), 71(2), 71(3), 71(9), 71(10), 71(13), 72(4), 72(5), 72(14), 72(26), 72(27), 72(28), 72(33), 72(35), 73(4), 73(6), 73(7), 73(8), 73(9), 73(10), 73(11), 73(12), 73(16), 73(17), 73(18), 73(19), 74(4), 75 (1), 75 (5), 75(14), 75(15), 76 77(27), 77(4), 77(6), 77(7), 78(1), 79, 82 (4), 83, 84 (b) 84(1), 85, 85 (2), 86, 86(1).

THE FOURTH SCHEDULE

(See section 22)

Goods on which additional duty of customs at 5 per cent is leviable

Goods comprise in the following Items of the First Schedule to the Tariff Act, namely :—

4, 8(2), 11(2), 11(4), 11 (5), 11 (6), 13(4), 15, 21(3), 24, 24(1), 24(2), 24(3), 25(1), 27(2), 27(5), 27(6), 27(7), 27(8), 28, 28(4), 28(8), 28(12), 28(15), 28 (16), 28,(17), 28(18), 28(19), 28(20), 28(31), 29, 29(1), 30, 30(9), 30(10), 34(3), 40(4), 40(5), 43, 44, 46, 46(3), 47, 55, 60(3), 60(6) 61(2) 61(3), 61(8), 61(9), 62(1), 63(2), 63(14), 63(30), 63 (31), 63(32), 63(33), 63(34), 63(35,) 64 64,(3), 64(4), 65, 66, 66(1), 67, 67(1), 67(2), 68, 68(2), 69(2), 70, 70(1), 70(4), 70(5), 70(6), 70(9), 71(7), 71(8), 71(11), 72, 72(1), 72(2), 72(3), 72(11), 72(12), 72(13), 72(15), 72(16), 72(17), 72(18), 72(19), 72(20), 72(21), 72(22), 72(23), 72(24), 72(25), 72(34), 73(2), 73(14), 73(15), 74(2), 75, 75(2), 75(3), 75(6), 75(7),

75(8), 75(9), 75(10), 75(11), 75(12), 75(13), 77(5), 78, 82(1), 82(3),
84(a), 85(1)

K. Y. BHANDARKAR,
Secy. to the Govt. of India.

**RESOLUTION PUBLISHING THE FINAL BUDGET STATEMENT
GOVERNMENT OF INDIA**

MINISTRY OF FINANCE

RESOLUTION

New Delhi, the 18th May 1955

F. No. 2(22)-B/55.—The annual financial statement for 1955-56 as presented to the Parliament on the 28th February, 1955 is now published in its final form for general information.

2. As a result of the modifications in the Finance Bill accepted by the Parliament the revenue under "Union Excise Duties" will be reduced by a net sum of Rs. 8,88,00,000.

3. The demands for Grants for the year 1955-56 were voted without modification.

4. The deficit on revenue account will thus stand at Rs. 17,34,52,000.

[F. No. 2(22)—B/55]

GOVERNMENT OF INDIA

BUDGET
of the
CENTRAL GOVERNMENT
for
1955-56

(As finally adopted)

MINISTRY OF FINANCE :

D.L. MAZUMDAR

New Delhi, the 18th May 1955

} Secretary to the Government of India.

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I.—GENERAL STATEMENT OF THE REVENUE AND
[In thousands of Rupees]

	For details vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA REVENUE—					
Principal Heads of Revenue—					
Customs . . .	A	1,58,71,30	1,75,00,00	1,80,00,00	{ 1,65,00,00 . . . 50,00*
Union Excise Duties	"	94,98,13	1,03,30,00	1,03,65,00	{ 1,23,45,00 + 8,82,00*
Corporation Tax . . .	"	41,54,19	38,35,00	38,41,00	39,77,00
Taxes on Income other than Corporation Tax and Estate Duty	"	65,54,08	70,67,00	70,63,00	{ 72,46,00 + 4,50,00*
Estate Duty . . .	"	..	25,00	8,04	20,83
Opium . . .	"	1,96,03	1,85,00	2,26,00	2,00,00
Other Heads . . .	"	3,26,11	3,38,10	3,06,59	3,20,48
TOTAL—PRINCIPAL HEADS		3,65,99,84	3,92,80,10	3,98,09,63	{ 4,06,09,31 + 12,82,00*
Contributions from Railways . . .	"	6,94,63	7,36,59	7,08,00	6,15,41
Irrigation : Net Receipts . . .	"	37	—3	49	—1
Posts and Telegraphs: (Net) (a) . . .	"	2,40,24	1,50,00	1,40,00	70,00
Debt Services . . .	"	2,91,23	2,77,77	3,61,35	2,91,04
Civil Administration	"	9,79,73	10,47,91	10,81,24	10,53,96
Currency and Mint . . .	"	15,73,95	20,42,19	20,75,52	23,18,23
Civil Works and Miscellaneous Public Improvements . . .	"	2,29,03	1,62,54	1,80,29	1,90,41
Electricity Schemes . . .	"	1,15	6	—20	—1,04
Miscellaneous . . .	"	7,36,83	4,53,72	6,76,68	16,00,28
Extraordinary Items . . .	"	2,50,77	10,21,67	75,09	1,28,33
TOTAL—REVENUE EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT . . .		4,15,97,77	4,51,72,52	4,51,08,09	{ 4,68,75,92 + 12,82,00*
TOTAL		4,15,97,77	4,67,09,01	4,56,08,17	4,98,92,44

A sum of Rs. 140 lakhs to be transferred from the proceeds of the special excise duty on cloth to the Fund for the Development of Handloom and Khadi Industries has been taken in reduction of revenue under Union Excise Duties.

*Effect of Finance Act.

(a) Figure shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

Note—The accounts for 1953-54 have not been finally closed and the actuals given here are only provisional.

EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

	For details <i>vide</i> Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue .	B	29,83,45	32,19,09	30,46,12	33,13,47
Irrigation . .	”	10,00	15,91	13,90	13,40
Debt Services . .	”	40,82,22	40,00,00	39,40,00	39,20,00
Civil Administration . .	”	64,16,68	86,07,85	83,92,62	1,11,75,56
Currency and Mint . .	”	2,60,45	2,63,26	3,48,87	3,35,69
Civil Works and Miscellaneous Public Improvements . .	”	13,85,31	15,53,69	15,05,74	16,32,82
Electricity Schemes . .	”	10	..	..	..
Miscellaneous . .	”	32,11,40	28,42,31	30,86,55	43,21,46
Defence Services (a)	”	1,86,29,79	2,05,62,20	1,98,02,17	2,02,68,30
Contributions and Miscellaneous Adjustments between Union and State Governments . .	”	25,90,64	32,47,66	32,05,58	35,92,61
Extraordinary Items . .	”	11,77,82	23,97,04	22,66,62	13,19,13
TOTAL—EXPENDITURE MET FROM REVENUE . .		4,07,47,86	4,67,09,01	4,56,08,17	4,98,92,44
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		8,49,91	..	..	..
TOTAL . . .		4,15,97,77	4,67,09,01	4,56,08,17	4,98,92,44

(a) Figures shown net; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II.—GENERAL STATEMENT OF THE RECEIPTS

[In thousands of Rupees]

RECEIPTS	For details vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) . . .		8,49,91	..	..	..
Capital Accounts outside the Revenue Account .	C	..	..	..	35,95
Permanent Debt (net)	„	..	25,26,16	1,12,65,12	68,83,27
Floating Debt (net)	„	19,36,10	2,50,00,00	2,19,88,02	3,40,00,00
Loans and Advances by the Central Government (net) . . .	„	..	..	..	..
Inter-State Debt Settlements (net) . . .	„	..	..	9,82,00	4,23,00
TOTAL—I.—CONSOLIDATED FUND OF INDIA		27,86,01	2,75,26,16	3,42,35,14	4,13,42,22
II.—CONTINGENCY FUND OF INDIA		..	..	..	..
Unfunded Debt (net) . . .	„	52,95,67	60,61,79	65,27,93	68,59,88
Depreciation and other Reserve Funds (net) . . .	„	..	..	..	..
Appropriation for Reduction or Avoidance of Debt (net) . . .	„	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) . . .	„	49,16,14	29,63,23	22,31,83	78,60,24
Remittances (net) . . .	„	4,59	..	..	13,97
Transfer of Cash between England and India (net)	„	..	..	..	..
TOTAL III—PUBLIC ACCOUNT	„	1,07,16,40	95,25,02	92,59,76	1,52,34,09
TOTAL RECEIPTS		1,35,02,41	3,70,51,18	4,34,94,90	5,65,76,31
OPENING BALANCE	C	9,14,20	50,83,14	37,85,11	50,01,20
TOTAL		2,34,16,61	4,21,36,32	4,72,80,01	6,15,77,51

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

DISBURSEMENTS	For details, vide Statement	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) . . .		..	15,36,49	5,00,08	17,34,52
Capital Accounts not met from Revenue . . .	C	24,17,57	1,45,75,12	1,78,54,43	2,23,30,09
Permanent Debt (net) . . .	"	38,55,36	..	..	..
Floating Debt (net) . . .	"	..	..	..	..
Loans and Advances by the Central Government (net)	"	1,24,46,79	1,84,21,40	2,24,45,10	3,04, (C. 23)
Inter-State Debt Settlements (net) . . .	"	..	..	..	..
TOTAL I.—CONSOLIDATED FUND OF INDIA . . .		1,87,19,72	3,45,33,01	4,07,99,61	5,45,24,84
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) . . .	C	..	..	..	..
Depreciation and other Reserve Funds (net) . . .	"	9,11,73	14,08,99	14,08,60	7,41,40
Appropriation for Reduction or Avoidance of Debt (net) . . .	"	..	..	..	..
Other Deposits and Advances (net) . . . .	"	..	..	..	..
Remittances (net) . . .	"	..	12,26	70,60	..
Transfer of Cash between England and India (net)	"	5	..	..	..
TOTAL III.—PUBLIC ACCOUNT		9,11,78	14,21,25	14,79,20	7,41,40
TOTAL—DISBURSEMENTS		1,96,31,50	3,59,54,26	4,22,78,81	5,52,66,24
CLOSING BALANCE . . .	C	37,85,11	61,82,06	50,01,20	63,11,27
TOTAL		2,34,16,61	4,21,36,32	4,72,80,01	6,15,77,51

A.—Statement of the Revenue of the Central Government

[In thousands of Rupees.]

Heads of Revenue	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as compar- ed with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as compar- ed with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs	1,58,71,30	1,75,00,00	1,80,00,00	+ 5,00,00	1,64,50,00	- 15,50,00
II.—Union Excise Duties	94,98,13	1,03,30,00	1,03,65,00	+ 35,00 + 6,00	1,32,27,00	+ 28,62,00 + 1,36,00
III.—Corporation Tax	41,54,19	38,35,00	38,41,00		39,77,00	
IV.—Taxes on Income other than Corporation Tax and Estate Duty	65,54,08	70,67,00	70,63,00	- 4,00 - 16,96	76,96,00	+ 6,33,00 + 20,83
V.—Estate Duty		25,00	8,04			+ 12,79
VI.—Opium	1,96,03	1,85,00	2,26,00	+ 41,00	2,00,00	- 26,00
VII.—Land Revenue	76,26	52,93	47,31	- 5,62	46,32	- 99
VIII.—State Excise Duties	12,96	15,48	11,17	- 4,31	7,42	- 3,75
IX.—Stamps	1,47,53	1,45,13	1,52,77	+ 7,64	1,49,17	- 3,60
X.—Forest	75,29	1,10,70	82,40	- 28,30	1,00,40	+ 18,00
XI.—Registration	2,48	1,99	2,17	+ 18	1,89	- 28
XII.—Receipts under Motor Vehicles Acts	5,28	4,80	4,91	+ 11	4,60	- 31
XIII.—Other Taxes and Duties	6,31	7,07	5,86	- 1,21	10,68	+ 4,82
TOTAL	3,65,99,84	3,92,80,10	3,98,09,63	+ 5,29,53	4,18,91,31	+ 20,81,68
IRRIGATION—						
XVII.—Works for which Capital Accounts are kept—Gross Receipts	1,52	2,12	2,14	+ 2	2,14	..
<i>Deduct</i> —Working Expenses	1,28	2,35	1,85	+ 50	2,35	- 50
Net Receipts	24	- 23	29	+ 52	- 21	- 50
XVIII.—Works for which no Capital Accounts are kept	13	20	20	..	20	..
TOTAL	37	- 3	49	+ 52	- 1	- 50
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs—Gross Receipts	44,16,56	45,66,00	45,93,00	+ 27,00	47,72,00	+ 1,79,00
<i>Deduct</i> —Working Expenses	40,06,32	42,18,79	42,56,31	- 37,52	44,65,01	- 2,08,70
Net Receipts	4,10,24	3,47,21	3,36,69	- 10,52	3,06,99	- 29,70
DEBT SERVICES						
XX.—Interest	2,91,23	2,77,77	3,61,35	+ 83,58	2,91,04	- 70,31
Carried over	3,73,01,68	3,99,05,05	4,05,08,16	+ 6,03,11	4,24,89,33	+ 19,81,17

A.—Statement of the Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— <i>(contd.)</i>						
Brought forward	3,73,01,68	3,99,05,05	4,05,08,16	+ 6,03,11	4,24,89,33	+ 19,81,17
CIVIL ADMINISTRATION—						
XXI.—Administration of Justice . . .	2,41	2,00	6,34	+ 4,34	5,87	- 47
XXII.—Jails and Convict Settlements . . .	31	53	43	- 10	39	- 4
XXIII.—Police . . .	11,79	17,27	20,71	+ 3,44	13,15	- 7,56
XXIV.—Ports and Pilotage . . .	29,88	35,88	25,24	- 10,64	36,60	+ 11,36
XXV.—Lighthouses and Lightships . . .	22,56	29,51	31,09	+ 1,58	31,04	- 5
XXVI.—Education . . .	14,04	13,25	22,96	+ 9,71	11,37	- 11,59
XXVII.—Medical . . .	4,31	21,00	18,58	- 2,42	18,37	- 21
XXVIII.—Public Health . . .	13,50	10,61	12,77	+ 2,16	12,28	- 49
XXIX.—Agriculture . . .	46,33	61,91	59,18	- 2,73	65,73	+ 6,55
XXX.—Veterinary . . .	8,23	10,00	7,97	- 2,03	8,94	+ 97
XXXI.—Co-operation . . .		2	2	..	2	..
XXXII.—Industries and Supplies.— Gross Receipts . . .	5,43,31	5,69,37	10,07,30	+ 4,37,93	9,98,72	- 8,58
Deduct— Working Expenses . . .	..	..	4,34,00	- 4,34,00	4,47,36	- 13,36
Net Receipts . . .	5,43,31	5,69,37	5,73,30	+ 3,93	5,51,36	- 21,94
XXXIII.—Aviation . . .	72,19	68,30	78,34	+ 10,04	66,26	- 12,08
XXXIV.—Broadcasting . . .	1,34,63	1,30,36	1,36,00	+ 5,64	1,43,30	+ 7,30
XXXVI.—Miscellaneous Departments . . .	76,23	77,90	88,31	+ 10,41	89,28	+ 97
TOTAL . . .	9,79,73	10,47,91	10,81,24	+ 33,33	10,53,96	- 27,28
CURRENCY AND MINT—						
XXXVII.—Currency . . .	14,41,23	19,04,44	19,32,01	+ 27,57	21,72,99	+ 2,40,98
XXXVIII.—Mint . . .	1,32,72	1,37,75	1,43,51	+ 5,76	1,45,24	+ 1,73
TOTAL . . .	15,73,95	20,42,19	20,75,52	+ 33,33	23,18,23	+ 2,42,71
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works . . .	2,28,81	1,62,34	1,79,94	+ 17,60	1,90,06	+ 10,12
XL-A—Receipts from Multi-purpose River Schemes . . .	22	20	35	+ 15	35	..
ELECTRICITY SCHEMES—						
XLI—Receipts from Electricity Schemes— Gross Receipts . . .	5,02	6,73	6,83	+ 10	8,57	+ 1,74
Deduct— Working Expenses . . .	3,87	6,67	7,03	- 36	9,61	- 2,58
Net Receipts . . .	1,15	6	- 20	- 26	- 1,04	- 84
Carried over . . .	4,00,85,54	4,31,57,75	4,38,45,01	+ 6,87,26	4,60,50,89	+ 22,05,88

A.—Statement of the Revenue of the Central Government—*concl.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as com- pared with Revised 1954-55
I.—CONSOLIDATED FUND OF INDIA— <i>(contd.)</i>						
Brought forward . . .	4,00,85,54	4,31,57,75	4,38,45,01	+ 6,87,26	4,60,50,89	+ 22,05,68
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation . . .	11.77	9.48	13.60	+ 4.12	9.42	- 4.14
XLV.—Stationery and Printing . . .	44.44	45.25	48.99	+ 3.74	40.36	- 8.63
XLV-A.—Contributions from Railways . . .	6,94,63	7,36,59	7,08,00	- 28.59	6,15,41	- 92.59
XLVI.—Miscellaneous	6,80,30	3,97,91	6,10,10	+ 2,12,19	15,49,04	+ 9,38,94
XLVI.-A—Receipts from Road and Water Transport Schemes						
—Gross Receipts . . .	5.77	9.10	10.70	+ 1.60	9.93	- 77
Deduct—Working Expenses . . .	5.45	8.02	6.71	+ 1.31	8.47	- 1.76
Net Receipts . . .	32	1,08	3.99	+ 2.91	1.46	- 2.53
TOTAL . . .	14,31,46	11,90,31	13,84,68	+ 1,94,37	22,15,69	+ 8,31,01
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective . . .	11,53,11	10,75,92	11,22,80	+ 46.88	10,51,96	- 70.84
XLVIII.—Defence Receipts—Non-effective	22.66	10.00	20.90	+ 10.90	20.77	- 13
TOTAL . . .	11.75.77	10,85,92	11,43,70	+ 57.78	10,72,73	- 70,97
CONTRIBUTIONS AND MISCELLANEOUS						
ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments . . .	..	..	..	..	..	..
EXTRAORDINARY ITEMS						
LI.—Extraordinary Receipts . . .	6.60	10,21,67	75.09	- 9,46,58	1,28,33	+ 53.24
LI-A.—Receipts on account of Community Development Projects, National Extension Service and Local Development Works	..	..	..	..	..	..
LII-B.—Civil Defence . . .	67	..	..	..	..	..
LII-C—Pre-partition Receipts . . .	2,43,50	..	..	..	..	..
TOTAL . . .	2,50.77	10,21,67	75.09	- 9,46,58	1,28,33	+ 53.24
RAILWAY REVENUES AS PER RAILWAY BUDGET	42,84,96	49,03,22	49,91,46	+ 88.24	50,75,90	+ 84,44
TOTAL—REVENUE Excess of Expenditure over Revenue or Deficit	4,72,28,50	5,13,58,87	5,14,39,94	+ 81.07	5,45,43,54	+ 31,03,60
—	15,36,49	5,00,08	—	—	17,34,52	—

B.—Statement of the Expenditure met from Revenue of the Central Government

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	2,79,53	3,60,87	3,42,71	-18,16	3,40,60	-2,11
2.—Union Excise Duties	18,87,04	20,09,87	18,79,69	-1,30,18	20,61,46	+1,81,77
3.—Corporation Tax	3,24,34	85,77	82,30	-3,47	88,82	+6,52
4.—Taxes on Income other than Corporation Tax		2,70,76	2,72,48	+1,72	2,96,04	+23,56
5.—Estate Duty		16,34	4,92	-11,42	13,23	+8,31
6.—Opium	2,50,09	1,95,07	1,90,88	-4,19	1,72,07	-18,81
7.—Land Revenue	15,82	19,03	19,42	+39	24,51	+5,09
8.—State Excise Duties	70	1,28	1,16	-12	1,03	-13
9.—Stamps	1,16,28	1,29,60	1,25,63	-3,97	1,33,41	+7,78
10.—Forest	1,00,67	1,29,02	1,25,57	-3,45	1,80,39	+54,82
11.—Registration	68	70	79	+9	86	+7
12.—Charges on account of Motor Vehicles Acts		3	4	+1	16	+12
13.—Other Taxes and Duties	:9	75	53	-22	89	+36
TOTAL	29,83,45	32,19,09	30,46,12	-1,72,97	33,13,47	+2,67,35
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Interest on Works for which Capital Accounts are kept . . . . .	..	..	..	..	..	..
18.—Other Revenue Expenditure	2,72	4,88	4,56	-32	6,04	+1,48
TOTAL	2,72	4,88	4,56	-32	6,04	+1,48
CAPITAL ACCOUNTS OF IRRIGATION, ETC., WORKS MET FROM REVENUE—						
19.—Construction of Irrigation Works financed from ordinary Revenues	7,23	11,03	9,34	-1,69	7,36	-1,98
POSTS AND TELEGRAPH REVENUE ACCOUNT—						
20.—Posts and Telegraphs—Interest on Debt	3,70,60	1,97,21	1,96,69	-52	2,36,99	+40,30
Carried over	31,63,45	34,32,21	32,56,71	-1,75,50	35,63,86	+3,07,15

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— <i>(contd.)</i>						
Brought forward DEBT SERVICES—	31,63,45	34,32,21	32,56,71	-1,75,50	35,63,86	+3,07,15
22.—Interest on Debt and other Obliga- tions	77,85,03	83,72,77	83,42,05	-30,72	96,32,22	+12,90,17
Deduct—Interest trans- ferred to—						
Railways	27,41,15	28,13,26	27,88,32	+24,94	29,91,75	-2,03,43
Irrigation	89	90	90	..	90	..
Posts and Telegraphs	1,72,62	1,97,72	1,97,72	..	2,37,44	-39,72
State Governments	9,95,13	15,55,00	15,86,18	-31,18	26,34,14	-10,47,96
Commututed Value of Pensions	23,96	25,29	24,82	+47	25,56	-74
Other heads	2,69,06	2,80,60	3,04,11	-23,51	3,22,43	-18,32
TOTAL TRANSFERS	42,02,81	48,72,77	49,02,05	-29,28	62,12,22	-13,10,17
Net	35,82,22	35,00,00	34,40,00	-60,00	34,20,00	-20,00
23.—Appropriation for Reduction or Avoid- ance of Debt.	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL	40,82,22	40,00,00	39,40,00	-60,00	39,20,00	-20,00
CIVIL ADMINISTRATION						
25.—General Adminis- tration	10,96,00	12,40,37	12,23,77	-16,60	13,17,45	+93,68
26.—Audit	4,81,33	5,43,60	5,43,14	-46	5,58,10	+14,96
27.—Administration of Justice	18,00	21,44	22,78	+1,34	21,34	-1,44
28.—Jails and Convict Settlements	4,09	4,81	4,56	-25	4,45	-11
29.—Police	3,16,22	3,84,81	4,06,36	+21,55	4,52,47	+46,11
30.—Ports and Pilotage	76,97	1,02,07	91,41	-10,66	1,06,62	+15,21
31.—Lighthouses and Lightships	18,63	29,51	31,09	+1,58	31,04	-5
34.—Tribal Areas	3,02,52	4,36,95	4,36,95	..	5,82,67	+1,45,72
35.—External Affairs	4,55,54	4,77,52	5,64,80	+87,28	5,69,06	+4,26
36.—Scientific Depart- ments	6,80,06	8,86,50	8,65,97	-20,53	10,67,25	+2,01,28
37.—Education	4,30,15	12,80,88	11,01,29	-1,79,59	18,31,07	+7,29,78
38.—Medical	74,50	1,64,19	1,57,56	-6,63	1,99,69	+42,13
39.—Public Health	86,62	2,21,67	2,09,51	-12,16	3,64,28	+1,54,77
40.—Agriculture	2,33,64	4,97,89	4,90,50	-7,39	9,95,41	+5,04,91
40-A.—Rural Deve- lopment	19	55	85	+30	1,51,95	+1,51,10
41.—Veterinary	34,36	36,54	35,83	-71	78,60	+42,77
42.—Co-operation	64	1,42	1,24	-18	22,33	+21,09
43.—Industries and Supplies	12,38,06	13,86,91	12,97,01	-89,90	16,55,77	+3,58,76
44.—Aviation	2,38,88	2,50,52	2,51,30	+78	2,70,03	+18,73
45.—Broadcasting	2,09,07	2,24,17	2,36,55	+12,38	3,05,35	+68,80
47.—Miscellaneous Departments	4,21,21	4,15,53	4,20,15	+4,62	5,90,63	+1,70,48
TOTAL	64,16,68	86,07,85	83,92,62	-2,15,23	1,11,75,56	+27,82,94
Carried over	1,36,62,35	1,60,40,06	1,55,89,33	-4,50,73	1,86,59,42	+30,70,09

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— (<i>contd.</i>)						
Brought forward	1,36,62,35	1,60,40,06	1,55,89,33	-4,50,73	1,86,59,42	+ 30,70,09
CURRENCY AND MINT—						
48.—Currency . . .	1,72,73	1,70,51	2,50,36	+ 79,85	2,35,45	- 14,91
49.—Mint . . .	87,72	92,75	98,51	+ 5,76	1,00,24	+ 1,73
TOTAL . . .	2,60,45	2,63,26	3,48,87	+ 85,61	3,35,69	- 13,18
CIVIL WORKS ETC.—						
50.—Civil Works . . .	13,69,52	15,13,33	14,50,89	-62,44	15,43,49	+ 92,60
51.-B.—Other Revenue Expenditure connected with Multipurpose River Schemes . . .	15.79	40,36	54,85	+ 14,49	89,33	+ 34,48
TOTAL . . .	13,85,31	15,53,69	15,05,74	-47,95	16,32,82	+ 1,27,08
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes . . .	..	..	..	..	..	..
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—						
53.—Capital Outlay on Electricity Schemes	10	..	..	..	..	..
MISCELLANEOUS—						
54.—Famine . . .	3	5	5	..	5	..
54-A.—Territorial and Political Pensions . .	21,62	21,16	21,60	+ 44	27,33	+ 5,73
54-B.—Privy Purses and Allowances of Indian Rulers . .	4,93,80	4,82,34	4,91,10	+ 8,76	5,29,47	+ 38,37
55.—Superannuation Allowances and Pensions . .	3,44,54	3,42,13	3,64,07	+ 21,94	3,55,81	- 8,26
56.—Stationery and Printing . . .	2,80,79	2,06,12	1,85,59	-20,53	1,98,18	+ 12,59
57.—Miscellaneous . . .	20,70,62	17,90,51	20,24,14	+ 2,33,63	32,10,62	+ 11,86,48
TOTAL . . .	32,11,40	28,42,31	30,86,55	+ 2,44,24	43,21,46	+ 12,34,91
DEFENCE SERVICES—						
58.—Defence Services Effective—Army . .	1,44,19,81	1,52,95,11	1,50,61,51	-2,33,60	1,49,13,78	- 1,47,73
59.—Defence Services Effective—Navy . .	10,30,47	12,14,38	11,59,78	-54,60	12,68,84	+ 1,09,06
60.—Defence Services Effective—Air Force	28,58,61	35,90,45	31,77,44	-4,13,01	35,48,42	+ 3,70,98
60-A.—Defence Services Non-Effective	14,87,67	15,48,18	15,47,14	-1,04	16,09,99	+ 62,85
TOTAL . . .	1,98,05,56	2,16,48,12	2,09,45,87	-7,02,25	2,13,41,03	+ 3,95,16
Carried over . . .	3,83,25,17	4,23,47,44	4,14,76,36	-8,71,08	4,62,90,42	+ 48,14,06

B.—Statement of the Expenditure met from Revenue of the Central Government—concl'd.

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Increase (+) De- crease(—) as com- pared with Budget, 1954-55	Budget Estimate, 1955-56	Increase (+) De- crease(—) as com- pared with Revised, 1954-55
I.—CONSOLIDATED FUND OF INDIA— (concl'd.)						
Brought forward	3,83,25,17	4,23,47,44	4,14,76,36	-8,71,08	4,62,90,42	+48,14,06
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS .						
61.—Grants-in-aid to States . . .	25,86,56	32,44,90	32,01,56	-43,34	35,89,06	+3,87,50
62.—Miscellaneous Adjustments between Union and State Governments .	4,08	2,76	4,02	+1,26	3,55	-47
TOTAL .	25,90,64	32,47,66	32,05,58	-42,08	35,92,61	+3,87,03
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges . . .	10,41,07	22,23,21	21,02,45	-1,20,76	..	-21,02,45
63-B.—Community Development Projects, National Extension Service and Local Development Works . . .	13,15	36,63	22,97	-13,66	11,89,93	+11,66,96
64-B.—Civil Defence	1,12	1,20	1,25	+5	1,20	-5
64-C.—Prepartition Payments . . .	1,22,48	1,36,00	1,39,95	+3,95	1,28,00	-11,95
TOTAL	11,77,82	23,97,04	22,66,62	-1,30,42	13,19,13	-9,47,49
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET . . .						
TOTAL—EXPENDITURE MET FROM REVENUE	42,84,96	49,03,22	49,91,46	+88,24	50,75,90	+84,44
Excess of Revenue over Expenditure Surplus	8,49,91	—	—	—	—	—

C.—Statement of the Receipts and Disbursements of the Central Government

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B) . . .	8,49,91	..	..	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses . . .	..	..	..	35,95
PUBLIC DEBT—				
<i>A.—Debt raised in India—</i>				
I.—PERMANENT DEBT—				
New Loan . . . . .	..	75,00,00	..	1,25,00,00
3½ per cent National Plan Loan, 1964 . . . . .	..	..	1,58,10,00	..
15-year Annuity Certificates . . . . .	..	..	55,93	75,60
Other Loans	75,29,67	..	2,30	..
TOTAL	75,29,67	75,00,00	1,58,68,23	1,25,75,60
II.—FLOATING DEBT—				
Treasury Bills	13,64,98,50	19,70,13,00	16,30,38,75	25,33,80,00
Treasury Deposit Receipts . . . . .	..	..	..	..
Other Floating Loans . . . . .	..	..	..	..
TOTAL	13,64,98,50	19,70,13,00	16,30,38,75	25,33,80,00
<i>B.—Debt raised in England—</i>				
Permanent Debt . . . . .	..	..	..	..
<i>C.—Other Debt</i>	1,52,97	3,27,80	2,28,00	16,13,00
TOTAL—PUBLIC DEBT	14,41,81,14	20,48,40,80	17,91,34,98	26,75,68,60
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments	13,20,63	20,90,24	24,05,48	24,92,49
Other Loans and Advances	5,69,14	2,73,45	7,59,76	6,12,53
TOTAL	18,89,77	23,63,69	31,65,24	31,05,02
Inter-State Debt Settlements—				
India and Pakistan . . . . .	..	..	..	..
India and Burma . . . . .	..	..	10,92,00	4,68,00
Centre and Hyderabad . . . . .	..	..	..	..
Centre and Mysore . . . . .	..	..	..	..
Centre and Travancore-Cochin . . . . .	..	..	..	..
TOTAL . . . . .	..	..	10,92,00	4,68,00
TOTAL I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	14,69,20,82	20,72,04,49	18,33,92,22	27,11,77,57

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA—<i>contd.</i>				
Excess of Expenditure over Revenue (from Statement A). . . . .	..	15,36,49	5,00,08	17,34,52
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	11,84,69	33,92,55	32,49,19	66,09,02
Posts & Telegraphs	7,66,03	11,48,62	11,44,99	11,85,00
Forest	12,96	28,76	23,69	27,61
Security Printing Press	7,24	5,21	2,96	3,50
Irrigation	28,30	25,00	24,78	22,93
Agricultural Improvement and Research	41,64	1,25,56	70,64	93,98
Industrial Development	5,06,85	24,09,58	15,03,89	16,42,14
Civil Aviation	1,37,07	3,33,80	2,87,42	5,28,10
Broadcasting	32,01	1,24,57	1,12,40	2,00,00
Ports	1,47,44	5,31,14	3,60,20	5,28,84
Currency	1,25	2,71	90	7,84,80
Mint	28,33	71,73	57,42	50,30
Initial Expenditure on New Capital at Delhi	47,68	6,07,56	5,48,94	6,86,03
Multi-purpose River Schemes	3,97,94	3,93,86	3,91,59	4,30,33
Civil Works	12,89,56	25,04,99	15,67,88	10,26,02
Capital Outlay of Electricity Schemes	11,10	76,41	27,58	37,48
Road and Water Transport Schemes	13,62	9,16	3,48	1,60
Capital Outlay on Shipping, Tankers, etc. . . . .	..	..	..	1,00,00
Payments of Commuted Value of Pensions	8,12	26,21	9,69	49
Capital Outlay on Sterling Pensions	-7,15,66	-7,05,17	-7,05,17	-6,94,58
Compensation to Displaced Persons . . . . .	..	4,00,00	7,65,00	20,99,00
Payments to Retrenched Personnel	-1,11	-1,09	-1,25	-1,52
Appropriation to the Contingency Fund . . . . .	..	..	..	..
Transfer of the Sale Proceeds of American Loan Wheat . . . . .	..	..	..	..
Defence Capital Outlay	10,16,10	17,75,00	13,08,94	22,38,00
Schemes of Government Trading	-25,43,59	-3,11,04	58,47,69	28,99,95
Capital Outlay on Development Grants . . . . .	..	16,00,00	12,51,58	18,31,07
TOTAL	24,17,57	1,45,75,12	1,78,54,43	2,23,30,09
PUBLIC DEBT—				
A.—Debts raised in India—				
I.—PERMANENT DEBT—				
15-year Annuity Certificates . . . . .	..	..	1,27	5,02
Other Loans	1,12,50,83	49,76,00	45,07,80	69,79,80
CARRIED OVER	TOTAL	1,12,50,83	49,76,00	45,09,07
Carried over	24,17,57	1,61,11,61	1,83,54,51	2,40 64,61

C.—Statement of the Receipts and Disbursements of the Central Government—contd.

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
I.—CONSOLIDATED FUND OF INDIA—contd.				
Brought forward . . .	24,17,57	1,61,11,61	1,83,54,51	2,40,64,61
Brought forward . . .	1,12,50,83	49,76,00	45,09,07	69,84,82
II.—FLOATING DEBT—				
Treasury Bills	13,45,32,50	17,20,13,00	14,10,38,75	21,93,80,00
Treasury Deposit Receipts . . .	14,50	..	..	..
Other Floating Loans . . .	15,40	..	11,98	..
TOTAL . . .	13,45,62,40	17,20,13,00	14,10,50,73	21,93,80,00
B.—Debt raised in England —				
PERMANENT DEBT —				
India Stocks	3,56	38,50	42,13	3,38
Railway Debenture Stocks . . .				
State Railway Annuities . . .	1,11,06	1,15,17	1,15,17	1,19,43
TOTAL . . .	1,14,62	1,53,67	1,57,30	1,22,81
C.—Other Debt . . .	1,72,55	1,71,97	1,64,74	1,97,70
TOTAL—PUBLIC DEBT . . .	14,61,00,40	17,73,14,64	14,58,81,84	22,66,85,33
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments . . .	1,24,03,23	1,78,79,17	2,20,27,05	2,79,29,10
Other Loans and Advances . . .	19,33,33	29,05,92	35,83,29	56,31,15
TOTAL . . .	1,43,36,56	2,07,85,09	2,56,10,34	3,35,65,25
Inter-State Debt Settlements—				
India and Pakistan . . . .	..	..	..	..
India and Burma . . . .	..	..	..	..
Centre and Hyderabad . . . .	..	..	..	..
Centre and Mysore . . . .	..	..	..	45,00
Centre and Travancore-Cochin . . .	..	..	1,10,00	..
TOTAL . . .	..	..	1,10,00	45,00
TOTAL I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	16,28,54,53	21,42,11,34	18,99,56,69	28,43,60,19

C.—Statement of the Receipts and Disbursements of the Central Government—contd.

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
II.—CONTINGENCY FUND OF INDIA				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund
TOTAL II.—CONTINGENCY FUND OF INDIA—RECEIPTS

C.—Statement of the Receipts and Disbursements of the Central Government—contd.

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT— UNFUNDED DEBT—				
Deposits of Service Funds . . .	16,56	14,60	9,27	12,22
Post Office Savings Bank Deposits . . .	1,17,37,03	1,16,41,00	1,33,58,00	1,36,75,00
Defence Savings Bank Deposits . . .	..	..	..	..
Post Office Cash Certificates . . .	—7	..	..	..
Defence Savings Certificates . . .	..	..	..	..
National Savings Certificates . . .	28,39,97	35,00,00	28,37,80	31,20,00
State Provident Funds . . .	30,75,77	28,55,25	32,92,27	33,45,20
Other Accounts . . .	1,86,87	1,88,42	2,00,70	2,18,30
Ten-year Treasury Savings Deposit Certificates . . .	6,86,26	8,00,00	5,50,00	5,50,00
Ten-year National Plan Certificates . . .	..	..	7,01,00	7,20,00
TOTAL . . .	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(a) <i>Interest-bearing</i> —				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget.	35,31,30	34,77,18	34,94,11	47,11,36
Railway Development Fund as shown in Railway Budget.	3,29,52	5,64,40	7,13,99	30,74
P. & T. Renewals Reserve Fund	1,00,00	1,25,00	1,25,00	1,35,00
Telephone Development Fund	76,03	60,00	45,00	40,00
Other Reserve Funds . . .	8,44	42,93	42,84	35,61
(b) <i>Non-interest bearing</i> —				
Other Reserve Funds . . .	6,30	4,46	7,96	8,34
Appropriation for Reduction or Avoidance of Debt.	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(a) <i>Interest bearing</i> —				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942.	5.97	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943.	—4,70	35,00	20,00	10,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax.	—4,82	..	..	..
Deposits towards payment of Excess Profits Tax.	—40	..	..	..
Deposits towards payment of Income Tax.	20,58	40,00	40,00	40,00
Advance payment of Tax under Section 18-A of the Income Tax Act.	34,56	..	..	..
Deposits of Trusts for Indian Princes.	5,86	5,70	5,70	5,48
Other Deposits . . .	2,48	..	..	..
Carried over . . .	46,11,12	48,54,67	49,94,60	55,16,53
Carried over . . .	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—<i>contd.</i>				
Brought forward . . .	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72
Brought forward . . .	46,11,12	48,54,67	49,94,60	55,16,53
(b) <i>Non-interest bearing—</i>				
Silver Redemption Reserve . . .	34.09	22,54	22,75	21,16
Central Road Fund . . .	6,17,33	5,28,12	5,35,91	5,34,98
Coal Mines Safety and Conservation Fund . . .	..	1,10,00	..	..
Kutch Benevolent Fund . . .	.. 50	50	50	50
Fund for the Benefit of Cotton-growers.	86,36	1,50,00	55,55	70,55
Cotton Textiles Fund . . .	..	..	..	..
Sugar (Temporary) Excise Fund	90	..	4,84	3,86
Reserve Fund for Protection of Sugar Industry.	1,63	3,69	3,69	4,18
Fund for Relief of Ground-nut Cultivators.	1	9	..	9
Fund for Relief of Linseed Cultivators.	1,32	..	..	..
Fund for Development of Hand-loom Weaving Industry.	..	..	..	..
Fund for Development of Hand-loom and Khadi Industries.	7,52,58	6,18,04	7,35,70	6,92,50
Tea Improvement Fund . . .	..	1,40,16	..	..
Coffee Marketing and Improvement Fund.	..	24,96	..	..
Rubber Production and Marketing Fund.	..	5,03	..	..
Development Fund . . .	..	..	..	..
Special Development Fund—				
Fund from the Sale Proceeds of American Loan Wheat.	18,72	..	..	..
Fund from the Sale Proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan.	2,23,80	2,80,45	3,26,94	10,80,02
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement.	14,41,51	42,04,27	19,19,42	47,51,18
Fund for Assistance from Norway for Fisheries Community Development.	4,97	27,00	27,00	20,00
Coal Mines Labour Housing and General Welfare Fund.	2,08,66	1,00,00	1,17,41	1,17,11
Mica Mines Labour Welfare Fund.	17,89	25,00	25,00	20,00
Coal Production Fund . . .	..	3,55	87	4,23
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay.	—1	..	..	..
Workmen's Benefit Fund . . .	..	..	..	..
P. O. Certificate Bonus Fund . . .	4,59,13	5,06,58	5,06,74	4,62,59
Deposits of Local Funds . . .	3,51,66	4,13,13	3,00,70	3,95,64
Civil Deposits . . .	1,67,92,31	1,52,73,38	1,66,88,75	1,85,75,26
Other Deposits . . .	51,71,42	47,05,21	45,18,91	44,44,45
Carried over . . .	3,07,95,90	3,19,96,37	3,07,85,28	3,67,14,83
Carried over . . .	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—<i>contd.</i>				
Brought forward .	1,85,42,39	1,89,99,27	2,09,49,04	2,16,40,72
Brought forward .	3,07,95,90	3,19,96,37	3,07,85,28	3,67,14,83
Account of payment in respect of provisional assessment of Excess Profits Tax.	6,69	..	..	..
Deposit account of refundable Excess Profits Tax.	81	15,00	15,00	10,00
Deposit account of refundable Central Income-Tax Surcharge.	..	..	..	..
Deposit account of interest on Excess Profits Tax Deposits.	28,35	7,30	5,50	5,40
Deferred Pay of Indian Troops .	..	1,37,43	1,40,30	1,36,41
Post-war Reconstruction Fund .	..	..	..	..
Other Accounts . . .	4,31,60	15,84,74	7,60,83	7,41,66
Accounts with the Government of Burma.	28,83	12,20	14,00	12,00
Accounts with the Reserve Bank	91,00	89,65	89,64	89,65
Other Advances . . .	87,26,83	86,24,50	88,12,53	87,12,20
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver (net)	..	2,80	3,20	2,80
Sales of lease-lend Silver (net) .	..	..	..	..
Cash Balance Investment Account (net).	46,21,17	..	..	..
Profits on circulation of nickel, bronze and copper coins (net).	..	..	..	..
Discount Sinking Fund . . .	69,74	1,03,96	1,00,26	1,16,14
Bonus on Loans . . .		..	..	..
Other Suspense Accounts (net) .	2,80,84	36,27,86	44,39,78	33,33,03
Cheques and Bills (net) . . .	26,00	55,86	1,98,64	2,93,82
Departmental and Similar Accounts (net).	..	..	1,35,13	1,53,47
Miscellaneous	1,12,95	79,83	2,20,94	1,54,59
TOTAL	4,57,20,71	4,68,37,50	4,62,21,03	5,09,76,00
Carried Over . . .	6,42,63,10	6,58,36,77	6,71,70,07	7,26,16,72

C.—Statement of the Receipts and Disbursement of the Central Government—*contd.*

RECEIPTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—<i>concl.</i>				
Brought forward . . .	6,42,63,10	6,58,36,77	6,71,70,07	7,26,16,72
REMITTANCES—				
REMITTANCES WITHIN INDIA—				
Inland Money Orders . . .	2,06,47,98	2,05,00,00	2,13,00,00	2,14,00,00
Other Remittances . . .	10,14,74	3,94,90	3,93,24	4,49,97
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs.	13,33,91	15,83,60	21,84,11	23,00,34
Exchange Accounts between Civil and Defence Services.	1,60,49,75	1,84,19,03	1,73,26,92	1,79,02,74
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver . . .	..	..	..	..
Other Transactions . . .	1,60,21,70	1,21,44,72	1,35,15,01	1,31,81,22
TOTAL . . .	5,50,68,08	5,30,42,25	5,47,19,28	5,52,34,27
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank.	1,20,89,68	1,21,66,12	1,36,00,00	1,32,69,59
RESERVE BANK DEPOSITS—				
RAILWAYS . . .	..	—38,27,01	—34,67,89	—63,74,74
TOTAL III.—PUBLIC ACCOUNT—				
RECEIPTS . . .	13,14,20,86	12,72,18,13	13,20,21,46	13,47,45,86
TOTAL—(I+II+III)	27,83,41,68	33,44,22,62	31,54,13,68	40,59,23,43
OPENING BALANCE . . .	99,14,20	50,85,14	37,85,11	50,01,20
GRAND TOTAL . . .	28,82,55,88	33,95,07,76	31,91,98,79	41,09,24,63

C—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Special Loans	28	26	28	28
Deposits of Service Funds	24,99	24,23	26,29	22,56
Post Office Savings Bank Deposits	1,03,12,69	1,02,91,00	1,13,07,00	1,15,74,10
Defence Savings Bank Deposits . . . . .	..	..	1,00	90
Post Office Cash Certificates	2,50,77	2,07,00	2,04,00	1,30,00
Defence Savings Certificates	59,04	20,00	14,00	10,00
National Savings Certificates	8,11,38	8,50,20	9,25,80	11,20,00
State Provident Funds	15,82,18	13,37,28	17,34,29	16,96,13
Other Accounts	1,57,42	1,57,49	1,57,45	1,56,87
Ten-year Treasury Savings Deposit Certificates	47,97	50,00	50,00	50,00
Ten-Year National Plan Certificate . . . . .	..	..	1,00	20,00
TOTAL	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(a) <i>Interest bearing—</i>				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget.	38,11,45	43,29,75	43,86,63	41,97,79
Railway Development Fund as per Railway Budget.	9,80,94	10,59,37	12,14,19	12,31,69
P.&T. Renewals Reserve Fund	1,13,94	1,45,00	1,10,00	1,00,00
Telephone Development Fund	28,81	75,00	75,00	65,00
Other Reserve Funds	5,24	69,97	46,46	99,66
(b) <i>Non-interest bearing—</i>				
Other Reserve Funds	22,94	3,87	5,22	8,31
Appropriation for Reduction or Avoidance of Debt—				
Sinking Funds . . . . .	..	..	..	..
Other Deposits and Advances—				
(a) <i>Interest bearing—</i>				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942.	13,10	10	10	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943.	2,82,12	60,00	55,00	21,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax.	9,70	4,00	4,00	1,00
Carried over	52,68,24	57,47,06	58,96,60	57,24,45
Carried over	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84

C—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—<i>contd.</i>				
Brought forward	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84
Bought forward				
Deposits towards payment of Excess Profits Tax	52,68,24 —2,44,90	57,47,06 50	58,96,60 50	57,24,45 ..
Deposits towards payment of Income Tax	27,24	70,00	60,00	45,00
Advance payment of Tax under Section 18A of the Income Tax Act	8,82,10	2,35,00	70,00	9,00
Deposits of Trusts for Indian Princes (b) <i>Non-interest bearing</i> —	22,11	22,11	22,11	22,11
Silver Redemption Reserve	20,99	22,54	22,75	21,16
Central Road Fund	3,67,85	6,11,90	6,39,54	6,44,07
Coal Mines Safety and Conservation Fund . . . . .	..	89,26	..	..
Kutch Benevolent Fund	23	50	50	50
Fund for the Benefit of Cotton growers	1,11,77	1,81,41	86,41	95,80
Cotton Textiles Fund	20	24,67	15,11	27,42
Sugar (Temporary) Excise Fund	7,64	68,10	46,10	55,86
Reserve Fund for Protection of Sugar Industry	1,89	23,89	..	..
Fund for Relief of Groundnut Cultivators	5	4	51	4
Fund for Relief of Linseed Cultivators	2	41	25	34
Fund for Development of Handloom Weaving Industry	4,91	..	8,50	..
Fund for Development of Handloom and Khadi Industries	3,59,24	7,60,00	7,33,00	8,05,00
Tea Improvement Fund . . . . .	..	83,56	..	..
Coffee Marketing and Improvement Fund . . . . .	..	5,65	..	..
Rubber Production and Marketing Fund . . . . .	..	1,77	..	..
Development Fund	4	..	..	..
Special Development Fund—				
Fund from the Sale proceeds of American Loan Wheat	20,60,78	21,27,00	24,83,00	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan	3,55,51	..	67,00	..
Fund from other Assistance under the Colombo Plan	2,23,80	2,53,78	3,33,19	10,35,93
Fund from Assistance under the Indo-U. S. T technical Co-operation Agreement	5,21,77	31,36,95	20,78,45	35,61,31
Fund for Assistance from Norway for Fisheries Community Development . . . . .	..	27,00	..	20,00
Coal Mines Labour Housing and General Welfare Fund	2,50,60	1,28,00	1,06,74	1,19,74
Mica Mines Labour Welfare Fund	6,73	25,93	11,67	14,03
Coal Production Fund . . . . .	..	..	..	..
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of pay	2	..	..	..
Workmen's Benefit Fund . . . . .	..	1,71	1,07	1,20
P.O. Certificate Bonus Fund	85,28	73,35	69,54	38,51
Deposits of Local Funds	3,91,72	4,16,01	3,38,08	3,86,29
Civil Deposits	1,59,08,93	1,50,61,22	1,61,89,43	1,64,74,23
Other Deposits	48,46,96	46,53,57	44,51,93	44,04,01
Carried over	3,14,81,72	3,38,52,89	3,37,31,98	3,35,06,00
Carried over	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84

C.—Statement of the Receipts and Disbursements of the Central Government—contd.

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate 1955-56
III.—PUBLIC ACCOUNT—contd.				
Brought forward	1,32,46,72	1,29,37,48	1,44,21,11	1,47,80,84
Brought forward	3,14,81,72	3,38,52,89	3,37,31,98	3,35,06,00
Transactions connected with War, 1939.	4,43	..	..	..
Account of payment in respect of provisional assessment of Excess Profits Tax.	52,57	40,00	35,00	12,00
Deposit account of refundable Excess Profits Tax.	5,29,81	1,05,00	1,05,00	1,05,00
Deposit account of refundable Central Income-Tax Surcharge.	2,29	..	..	..
Deposit account of interest on Excess Profits Tax Deposits.	..	6,00	4,30	1,60
Deferred Pay of Indian Troops . . . . .	..	85,00	77,50	60,00
Post War Reconstruction Fund . . . . .	..	80	5,82	2,90
Other Accounts	2,86,68	16,16,50	5,95,99	6,08,98
Account with the Government of Burma.	30,79	12,10	14,10	13,10
Accounts with the Reserve Bank	90,86	86,84	88,11	88,10
Other Advances	83,90,63	86,54,02	87,98,98	86,67,98
Value of One-rupee Notes issued	5,00	..	..	..
Purchases and Sales of Silver (net)	3,51	..	..	..
Sales of lease-lend Silver (net) . . . . .	..	..	..	..
Cash Balance Investment Account (net)	..	..	8,26,00	..
Profits on circulation of nickel, bronze and copper coins (net).	1,08,54	1,28,48	1,34,98	1,37,40
Discount Sinking Fund . . . . .	..	..	2,37,15	..
Bonus on Loans . . . . .	..	..	I	I
Other Suspense Accounts (net) . . . . .	..	..	..	..
Cheques and Bills (net) . . . . .	..	..	..	..
Departmental and Similar Accounts (net).	1,29,21	1,15,63	..	..
Miscellaneous	1,00,26	80,00	2,42,88	1,54,03
TOTAL	4,12,16,30	4,47,83,26	4,48,97,80	4,33,57,16
Carried over	5,44,63,02	5,77,20,74	5,93,18,91	5,81,38,00

C.—Statement of the Receipts and Disbursements of the Central Government—concl.

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
III.—PUBLIC ACCOUNT—concl.				
Brought forward . . .	5,44,63,02	5,77,20,74	5,93,18,91	5,81,38,00
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . . .	2,06,58,63	2,04,50,00	2,13,20,00	2,14,20,00
Other Remittances . . .	11,05,78	4,57,16	4,43,84	4,16,00
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs.	14,02,99	15,83,60	21,84,11	23,00,34
Exchange Accounts between Civil and Defence Services.	1,59,90,96	1,84,19,03	1,73,26,92	1,79,02,74
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Accounts between England and India—				
Purchases and Sales of Silver . . .	..	..	..	..
Other Transactions . . .	1,59,05,13	1,21,44,72	1,35,15,01	1,31,81,22
TOTAL . . .	5,50,63,49	5,30,54,51	5,47,89,88	5,52,20,30
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank.	1,20,89,73	1,21,66,12	1,36,00,00	1,32,69,59
RESERVE BANK DEPOSITS—				
RAILWAYS— . . . .	..	—38,27,01	—34,67,89	—63,74,72
TOTAL III.—PUBLIC ACCOUNT—DISBURSEMENTS	12,16,16,24	11,91,14,36	12,42,40,90	12,02,53,17
TOTAL (I+III)	28,44,70,77	33,33,25,70	31,41,97,59	40,46,13,36
Closing Balance . . .	37,85,11	61,82,06	50,01,20	63,11,27
GRAND TOTAL . . .	28,82,55,88	33,95,07,76	31,91,98,79	41,09,24,63

Budget, 1955-56

Explanatory Memorandum

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PREFACE

The Explanatory Memorandum consists of five Sections. The first Section deals with the estimates of revenue and expenditure met from revenue. The second Section deals with the capital transactions. The third Section contains short notes on various important schemes included in the budget estimates. The fourth Section contains data and statistics of financial and economic interest. This Section has been expanded to contain certain additional information. Section V contains a statement illustrating the income and super tax payable on different incomes.

The usual annexures giving the progress of revenue and expenditure over a period of years, the distribution by Demands for Grants and Appropriation of the expenditure shown by heads of account in the budget for 1955-56, the distribution of the expenditure estimates for 1955-56 under broad categories and details of certain interim relief schemes for displaced persons are given at the end. In addition, seven more Annexures have been added this year, showing the details of loans and grants given to the States for development purposes, the nature and purpose of the Special Development Fund and other foreign aid received by India, the American Wheat Loan and other loans from the International Bank for Reconstruction and Development, details of investments made by Government in industrial undertakings, progressive figures of the net receipts from Rupee Loans raised in India and the Small Savings including other Unfunded Debt as compared with the targets envisaged in the Five Year Plan.

Suitable Introductory Notes have been included explaining the broad structure of the budget, the various types of transactions included in the different Sections and the relation between the annual financial statement laid before Parliament in accordance with the provisions of the Constitution and the explanations given in this Memorandum.

In this Memorandum the expressions "current year" and "next year" indicate the financial years 1954-55 and 1955-56, respectively. Sterling transactions in the current year have been converted at the rate of 1 sh. 5¹/32 d. on the basis of the actual rates prevailing upto January 1955. In accordance with the usual practice similar transactions included in the budget for 1955-56 have been converted into rupees at the standard rate of 1 sh. 6 d. to the rupee.

The accounts for the year 1953-54 have not been finally closed. The actuals for that year shown in the Explanatory Memorandum are, therefore, provisional and subject to readjustment.

INTRODUCTORY NOTE

The "annual financial statement" laid before both Houses of Parliament, in accordance with the provisions of the Constitution, is the budget of the Central Government. This statement covers all the transactions of the Central Government during the current and the ensuing years. The budget of the Indian Railways is separately presented to Parliament and dealt with by it. But as the receipts and expenditure of the Railways are, nevertheless, the receipts and expenditure of the Government of India, the figures relating to these are also included in lump in the general budget.

2. The annual financial statement is prepared by major heads of account, prescribed in consultation with the Comptroller and Auditor General. These heads fall either under the Consolidated Fund of India or in the Public Account of the Government. In addition, the Government of India also maintain a Contingency Fund, set up under an Act of Parliament, with a balance of Rs. 15 crores, from which to make advances for meeting urgent unforeseen expenditure, subject to the obtaining of Parliamentary sanction for such expenditure in due course. The receipts and expenditure of Government fall under one or other of the major heads either in the Consolidated Fund or the Public Account in accordance with the prescribed rules of classification.

3. All revenues received by the Government of India, all loans raised by the Government by the issue of Treasury Bills, loans or ways and means advances and all monies received by Government in repayment of loans are credited to the Consolidated Fund and monies can be appropriated from that Fund only in accordance with law and for the purposes and in the manner provided in the Constitution. All other public monies received by or on behalf of the Government of India are credited to the Public Account. Government expenditure, including expenditure on loans and advances by Government, the repayment of loans, treasury bills and ways and means advances is met out of the Consolidated Fund. The estimates of expenditure have to show separately the sums required to meet expenditure which the Constitution has "charged" upon the Consolidated Fund and the sums from the Consolidated Fund required to meet other expenditure. The estimates have also to distinguish expenditure on revenue account from other expenditure. The latter cover expenditure on capital outlay, loans given by Government and expenditure on the repayment of loans, treasury bills and ways and means advances.

4. The estimates of expenditure to be met from the Consolidated Fund are presented to the Lok Sabha in the form of Demands for Grants, except to the extent to which such expenditure is "charged" on the Consolidated Fund and, in consequence, does not require a vote of the Lok Sabha. These demands generally cover the requirements of each individual administrative service. For example, a Ministry will have a demand for its own expenditure and one for the expenditure of each one of the various departments under its administrative control. Except in special circumstances, a demand does not cover more than one department or more than one head of account. The main exception to this is that all expenditure controlled by the head of each of the Centrally Administered areas is brought together in a single demand. These are also demands for miscellaneous purposes such as, payments of grants in aid, loans, etc., under the Ministry administering these grants and loans although there are no "departments" as such dealing with them. The "charged" expenditure under any head for which there is a voted demand is included in that demand, but is shown separately and is, as explained earlier, not presented for vote. Where expenditure is wholly charged, a separate appropriation is included for it in the Book of Demands.

5. Within each demand the estimates are arranged by suitable sub-heads, which indicate broadly the categories of expenditure included in the demand. So long as the total demand is not exceeded, Government (and authorities subordinate to them to whom powers may be delegated) can meet excesses under one sub-head from savings in another except that excess in "charged" expenditure cannot be met by savings under "voted" heads and *vice versa*.

6. One qualification must be remembered in considering the demands for grants. Although they are generally by major heads, the total of all the demands relating to a major head and the 'charged' expenditure provided under that head may not agree with the total shown in the annual financial statement. This is because certain recoveries are taken in the accounts in reduction of expenditure while in the demands, which when passed, provide the authority for incurring the particular item of expenditure, these recoveries are not taken into account. Broadly, these recoveries relate to inter-departmental adjustment or recoveries from other Governments, *ad hoc* funds etc. Thus if the Union Excises Department does some work for Customs, the gross expenditure will appear in the demand under Union Excises while the accounts will show only the net expenditure (i.e. gross expenditure less recovery from customs) under the major head 'Union Excise Duties'. Similarly, while the interest received on the capital advanced to commercial departments and State Governments are taken in the accounts in reduction of expenditure under the major head 'Interest', the appropriation for 'Interest' will show the actual sum which Government have to find for the payment of interest on and the servicing of the outstanding debt and other interest bearing obligations.

7. After the demands have been voted by the Lok Sabha, the monies required to meet the grants so voted and the expenditure 'charged' on the Consolidated Fund and included in the annual financial statement presented to Parliament are withdrawn from the Consolidated Fund under the authority of an Appropriation Act passed by Parliament.

8. For payments out of the Public Account, no demand is required to be presented to Parliament and the actual requirements are met from time to time as they arise. These payments are largely of the nature of banking transactions. State Provident Funds, depreciation and other reserve funds of Government departments, Post Office Savings Banks, Post Office Cash and other Savings Certificates, Postal Life Insurance Fund, *ad hoc* funds created by Government by appropriation from revenue or otherwise, miscellaneous deposits and remittances are included in the Public Account. It is broadly correct to say that none of the monies lying in the Public Account belong to Government. They have to be paid back at sometime or the other to the public as in the case of State Provident Funds, Postal Savings Bank, Postal Cash Certificates, Life Insurance Funds, etc. or to be utilised by Government in an agreed manner as in the case of *ad hoc* funds set up for special purposes. It may be mentioned, to complete the picture, that the approval of Parliament is necessary to any appropriation from revenue to create a fund and, unless the monies thus funded are made over to corporate bodies with separate legal status of their own, similar approval is required for incurring subsequent expenditure from such funds. When an amount is transferred to any such fund, it is shown as expenditure in the estimates of the year in which the transfer is made. Expenditure met from these funds is similarly shown in the estimates of the year in which it is incurred but an equivalent amount is transferred from the fund to meet this expenditure. Parliamentary control is thus secured on both the creation of such funds and the utilisation of the monies in them.

SECTION I

ESTIMATES OF REVENUE AND EXPENDITURE

MET FROM REVENUE

SECTION
REVENUE

The budget for 1954-55 provided for a deficit on revenue account of reduced to Rs. 5 crores. On the basis of the current year's level of taxation expenditure met from revenue at Rs. 498·93 crores leaving a Act, 1955, it is estimated that this revenue deficit will be reduced to

The estimated revenue and expenditure under each Major Head of Central Government. Statement I below shows in broad categories how the estimated expenditure for the next year has been distributed

STATEMENT
SUMMARY OF REVENUE

REVENUE

	Heads of Revenue		1953-54 Account	1954-55 Budget	1954-55 Revised	1955-56 Budget
Customs			1,58,71	1,75,00	1,80,00	1,65,00 —50*
Union Excise Duties			94,98	1,03,30	1,03,65	1,23,45 +8,82*
Corporation Tax			41,54	38,35	38,41	39,77
Taxes on Income			1,22,84	1,26,65	1,26,59	1,25,23 +8,70*
Estate Duty	4,00	1,26	3,00
Opium			1,96	1,85	2,26	2,00
Interest			2,91	2,78	3,61	2,91
Civil Administration.			9,80	10,48	10,81	10,54
Currency and Mint			15,74	20,42	20,76	23,18
Civil Works			2,29	1,63	1,80	1,90
Other Sources of Revenue.			13,15	18,13	10,59	20,49
Posts & Telegraphs (Net contribution)			2,40	1,50	1,40	70
Railways—Net Contribution			6,95	7,37	7,08	6,15
<i>Deduct</i> —Share of Income-Tax payable to States .			—57,29	—55,98	—55,96	—52,77 —4,20*
<i>Deduct</i> —Share of Estate Duty payable to States .			..	—3,75	—1,18	—2,79
TOTAL—REVENUE . .			4,15,98	4,51,73	4,51,08	4,68,76 +12,82*
DEFICIT ON REVENUE ACCOUNT	15,36	5,00	30,17 —12,82*
TOTAL . .			4,15,98	4,67,09	4,56,08	4,98,93

*Effect of Finance Act, 1955.

I
BUDGET

Rs. 15.36 crores. It is now expected that this revenue deficit will be the revenue for the coming year is estimated at Rs. 468.76 crores and the deficit of Rs. 30.17 crores. After allowing for the effects of the Finance Rs. 17.35 crores.

Account have been shown in statements A and B of the Budget of the summary of the estimated revenue and expenditure. Annexure IX shows over the various Demands for Grants and Appropriations.

AND EXPENDITURE

(in lakhs of Rupees)
EXPENDITURE

Heads of Expenditure	1953-54 Account	1954-55 Budget	1954-55 Revised	1955-56 Budget
Direct Demands on Revenue	29.84	32.19	30.46	33.13
Irrigation	10	16	14	13
Debt Services	40.82	40.00	39.40	39.20
Civil Administration	64.17	86.08	83.93	1,11.76
Currency and Mint	2.60	2.63	3.49	3.36
Civil Works	13.85	15.54	15.06	16.33
Miscellaneous	32.11	28.42	30.86	43.22
Defence Services (Net)	1,86.30	2,05.62	1,98.02	2,02.6
Contributions and grants-in-aid to States	25.91	32.48	32.05	35.93
Extraordinary Items	11.78	23.97	22.67	13.19
TOTAL—EXPENDITURE	4,07.48	4,67.09	4,56.08	4,98.93
SURPLUS ON REVENUE ACCOUNT	8.50	..	..	..
TOTAL	4,15.98	4,67.09	4,56.08	4,98.93

EXPLANATORY MEMORANDUM: GENERAL BUDGET
NOTES ON REVENUE ESTIMATES

Customs.—A rough distribution of the Customs revenue expected to be collected during the current year and the next year is given below.

STATEMENT II
SEA CUSTOMS—IMPORTS

	1953-54 Account	1954-55 Budget	1954-55 Revised	1955-56 Budget
1—Revenue Duties				
Ale, beer, porter, cider and other fermented liquors	26	25	42	45
Spirits and liquors	1,86	2,00	1,90	1,90
Wines	4	5	7	7
Spices	88	75	1,15	1,15
Tobacco	2,02	2,00	2,30	2,30
Kerosene oil	7,19	7,00	8,30	5,50
Motor spirit	27,53	29,00	22,00	7,00
Oils—batching, fuel and lubricating	3,04	3,00	3,10	1,20
Cotton, raw	3,13	..	5	..
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof.	6,37	5,25	8,30	8,60
Electric lighting bulbs	28	30	38	36
Wireless reception instruments and apparatus	45	65	54	54
Coal-tar dyes and coal-tar derivatives	1,94	1,75	2,11	2,00
Machinery	5,34	5,50	5,08	5,17
Iron and steel	2,86	2,75	2,51	2,51
Metals, other than iron and steel, silver and block tin	11	10	28	28
Railway plant and rolling stock	2,15	2,25	1,50	1,50
Wood-pulp, paper and stationery	3,10	3,20	2,60	2,62
Artificial silk yarn and thread	4,53	4,50	5,00	5,00
Yarn and other textile fabrics	75	60	50	55
Cinematograph films	48	50	59	53
Pneumatic rubber tyres and tubes	14	5	10	10
Toys, games and sports goods	7	5	14	19
Betelnuts	4,65	8,00	6,60	6,50
All other articles	34,05	48,35	57,45	51,48
Total Revenue Duties	1,13,22	1,27,85	1,32,97	1,07,50

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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1953-54 Account	I Budget	Revised	1955-56 Budget
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II.—*Protective Duties*

Heavy Chemicals	43	50	1,15	1,10
Iron and steel	21	25	23	23
Metals other than iron and steel.	93	90	95	1,00
Raw silk	31	40	47	54
Silk yarn and thread	1	1	2	2
Silk fabrics	8	10	16	11
Artificial silk fabrics	44	30	84	84
Sewing machines and parts thereof	14	15	12	12
Machinery other than Sewing Machines	1,17	1,30	53	53
Cycles (other than motor cycles) and parts thereof	1,28	1,25	1,35	1,45
All other articles	1,14	1,19	1,36	1,36
Total—Protective Duties	6,14	6,35	7,18	7,30

III.—*Duties on American Disposals*

Duties on American Disposals	24	..	15	..
TOTAL—IMPORTS	1,19,60	1,34,20	1,40,30	1,14,80

SEA CUSTOMS—EXPORTS

Jute—				
Raw				
Manufactured	10,35	10,50	7,10	7,10
Raw Cotton	5,27	6,50	2,20	2,00
Cotton Waste			2,60	2,70
Cotton cloth and yarn	2,93	3,00	1,32	1,60
Manganese	3,57	3,50	80	..
Tea	11,62	12,40	19,00	30,00
Black pepper	2,84	2,50	1,51	1,51
Other agricultural produce	41	40	44	44
Iron and steel	19	10	4	4
Mica	20	25	16	16
Oil and oil seeds	73	1,00	1,31	1,15
Raw wool	2	..	..	..
Rice . . . . .	..	..	17	10
Mercury	6	10	..	..
Coffee	34	25	1,40	1,35
Coir . . . . .	..	..	5	5
TOTAL—EXPORTS	38,53	40,50	38,10	48,20
Land Customs.	1,89	2,00	2,00	2,00
Air Customs	73	..	..	..
Miscellaneous	93	80	1,00	1,00
TOTAL—GROSS REVENUE	1,61,68	1,77,50	1,81,40	1,66,00
Deduct—Refunds	—2,97	—2,50	—1,40	—1,50
NET REVENUE	1,58,71	1,75,00	1,80,00	1,64,50

The import tariff is cast in the form of a commodity schedule with broad distinctions indicating the treatment to be accorded to various classes of articles. The general rate of import duty is now 25 per cent. plus a temporary surcharge of $\frac{1}{4}$ th. Certain luxury items carry a high rate of tax, certain items are subject to protective duties and while certain other items are declared duty free or are subjected to a low rate of duty, in the interest of indigenous industry or the economy of the country. Some of the luxury items which carry the heaviest rates of duty (ranging from 75 to 100 per cent) are tobacco manufactures, wines and spirits, artificial silk goods, gold plated articles, cotton, silk and art silk fabrics, fabrics containing gold or silver thread, socks and stocking of silk or art silk, boots and shoes, parasols and sunshades, gold and silver thread manufactures, silver thread and wire, motor cars, clocks and watches, etc. Some of the protected goods are some chemicals, matches, silk and art silk fabrics, certain manufactures of iron and steel, aluminium, sewing machines, cycles and certain items of machinery and parts, batteries for motor vehicles, ball bearings, titanium dioxide, power and distribution transformers, for which the rates of duty are fixed at such amounts and for such periods as are found necessary having regard to the recommendations of the Tariff Commission. Grains and pulses and a number of raw materials for industry are on the free list, while specially low but varying rates of tax cover a large number of essential items like fuel oils, batching oils, lubricants, raw films, textiles machinery lubricants, textile machinery, etc.

Export duties cover a number of items of which Jute and Tea are normally the most important. In recent years export duties have been used to counter inflation and to obtain for the exchequer the benefit of any large disparities between the internal and external prices of the country's principal exports. The Government continue to keep under constant review the effect of such duties on the country's export trade and recently on certain goods, duties have been either abolished or reduced to improve the competitive position of the commodities concerned in world markets. At present export duties are levied on jute, cotton, cotton waste, cotton cloth, tea, black pepper, iron and steel and certain manufactures thereof, some oils and oilseeds, mercury, coffee, deoiled groundnut meal and certain oilcakes.

Since the presentation of the Budget in February 1954, export duty has been abolished on cigars and cheroots, mustard oil, linseed oil, kardiseed oil, Nigerseed oil, cotton seed oil, Rapeseed oil and manganese ore. Duty has also been reduced on castor oil, black pepper, & raw cotton excluding certain varieties. A new duty was levied on deoiled groundnut meal and certain oilcakes.

On the trend of actuals up to the end of January 1955, the total Customs revenue this year is now estimated at Rs. 180 crores against Rs. 175 crores taken in the original Budget. The enhancement of the export duty on Tea during the year is expected to bring in an additional revenue to the extent of Rs. 6·6 crores. Against these increases, the Customs head will lose this year about Rs. 6 crores due to the gradual replacement of imports of Motor Spirit, Kerosene and Lubricants by indigenous production of Oil Refineries in India, one of which went into production this year, and there will also be some loss as a result of the abolition or reduction of a number of export duties made during the year in the interest of our export trade.

The next year's estimate has been placed at Rs. 164·50 crores, including the effect of the budget proposals, as approved by Parliament. The loss of revenue on account of the budget proposals is estimated at Rs. 50 lakhs and this is largely due to the reduction of import duty on Gums

and Resins (including Gums, Arabic, Benjamin and Dammer) and Plumbago and Graphite. Export duty on Tea will bring in an additional revenue of Rs. 11 crores over the current year's yield. The coming into production of the second oil Refinery at Bombay during the coming year will, however, result in a decline of imports of petrol and oil lubricants to almost a quarter of the present level and in consequence, the Customs revenue will drop by further Rs. 19·7 crores although a substantial part of this revenue will be realised through Excises. Imports of sugar are also expected to be less than in the current year. In the result, the Customs revenue will show a net drop of Rs. 15·5 crores next year.

Union Excise Duties.—Following are the details of revenue from Union Excise Duties:—

STATEMENT III

	1953-54 Account	1954-55 Budget	1954-55 Revised	1955-56 Budget
Motor Spirit	2.47	2.15	8.50	21.80
Kerosene	33	25	70	1.75
Sugar	14.36	12.00	8.50	15.00
Matches	9.32	9.00	9.00	8.70
Steel Ingots	60	60	65	70
Types	4.95	5.25	5.30	5.30
Tobacco	33.00	35.00	31.65	34.95
Vegetable Products	2.79	2.75	3.00	3.00
Coffee	77	75	90	90
Tea	2.09	3.50	3.00	3.50
Cotton Cloth	21.67	26.50	26.50	27.10
Coal Cess	2.54	2.20	2.27	2.11
Artificial Silk	11	75	45	35
Cement	10	1.75	2.15	2.30
Footwear	8	60	85	85
Soap	16	1.10	1.30	1.30
Woolen Fabrics . . . . .	..	..	..	30
Electric Fans . . . . .	..	..	..	24
Electric Bulbs . . . . .	..	..	..	16
Electric Batteries . . . . .	..	..	..	40
Paper . . . . .	..	..	..	1.90
Paints and Varnishes . . . . .	..	..	..	52
Miscellaneous	72	40	43	39
TOTAL—GROSS REVENUE	96.06	1,04.55	1,05.15	1,33.52
DUDUCT—REFUNDS	—1.08	—1.25	—1.50	—1.25
TOTAL—NET REVENUE	94.98	1,03.30	1,03.65	1.32.227

There will be an improvement of about Rs. 7 crores from increased production of Petroleum and Kerosene in the country due to the coming into production of one of the Oil Refineries in India. But this improvement is neutralised by a fall of Rs. 3½ crores in revenue on Sugar and an almost equal fall in revenue from Tobacco. The fall on Sugar is due to the decline in production during 1954 and that under Tobacco, to the concessions in duty given during the year as a measure of relief in view of the large accumulations of stocks with growers and traders and the resultant fall in prices. The revenue from new excises introduced during the last Budget has been, more or less, according to expectations.

The estimates for the next year have been placed at Rs. 132·27 crores after allowing for an increase of Rs. 14·35 crores from the production of oil refineries, an improvement of Rs. 3·3 crores in the collections of tobacco excise and a net additional revenue of Rs. 8·82 crores from

changes in excise duties made by the Finance Act, 1955. The additional revenue of Rs. 8·82 crores from new and increased excise duties is comprised of Rs. 5 crores from the enhanced duty on sugar, Rs. 3·52 crores from the new duties on woollen fabrics, electric fans, electric bulbs, electric batteries, paper and paints and varnishes, Rs. 60 lakhs from cotton cloth and a net loss of Rs. 30 lakhs on account of concessions in match excise. There will also be an increase of Rs. 1·4 crores in respect of the special cess on mill-made cloth for the benefit of handloom and Khadi industries consequent on the conversion of the levy from the linear to the square yard basis; but the whole of this amount will be transferred to the special fund for the development of these industries and has, therefore, been excluded from the total additional revenue of Rs. 8·82 crores mentioned above.

The above estimates include Rs. 700 lakhs this year and Rs. 680 lakhs next year from the special cess on mill made cloth for the benefit of handloom and Khadi industries, the next year's amount being exclusive of the additional revenue of Rs. 1·4 crores mentioned earlier as a result of the revision of the basis of the cess. The estimates also include Rs. 117 lakhs each year on account of the Coal Mines Labour Welfare Cess and Rs. 110 lakhs this year and Rs. 94 lakhs next year on account of the Coal Mines Safety and Conservation Cess. The revenue from these cesses does not accrue to Government; the Labour Welfare cess is transferred to an *ad hoc* fund and the Coal Mines Safety and Conservation Cess is paid to the Coal Board and provision for both these payments is made in the Expenditure Estimates.

Under the provisions of the Union Duties of Excise (Distribution) Act, 1953, forty per cent. of the net proceeds from excise duties on matches, tobacco, and vegetable products, after allowing for the cost of collection are paid to the State Governments. This share is distributed among the States as follows:—

State	Per Cent.
Assam	2·61
Bihar	11·60
Bombay	10·37
Hyderabad	5·39
Madya Bharat	2·29
Madhya Pradesh	6·13
Madras	16·44
Mysore	2·62
Orissa	4·22
Pepsu	1·00
Punjab	3·66
Rajasthan	4·41
Saurashtra	1·19
Travancore-Cochin	2·68
Uttar Pradesh	18·23
West Bengal	7·16

The share allocable to States is estimated at Rs. 16·16 crores year after allowing for over payments made last year and at Rs. 17·82 crores next year. The shares of Mysore, Saurashtra and Travancore-Cochin Governments aggregating Rs. 1·05 crores this year and Rs. 1·16 crores next year will, however, be set off against the revenue gap grants which they are getting under the scheme of federal financial integration as these grants exceed their shares of divisible Central taxes. Allowing for this reduction, the net additional payment to the States on account of the excise duties will amount to Rs. 15·11 crores this year and Rs. 16·66 crores next year. These payments are being provided on the expenditure side under Demand No. 27 Union Excise Duties.

The loss in match excise duties as a result of the concessions made by the Finance Act, 1955 is estimated at Rs. 50 lakhs of which Rs. 20 lakhs

would fall on States and the estimated payment of Rs. 16·66 crores to the States next year, mentioned above, will be correspondingly reduced.

Taxes on Income including Corporation Tax.—Broad details of revenue are—

	1953-54 Account	1954-55 Budget	1954-55 Revised	1955-56 Budget
<i>Corporation Tax—</i>				
Ordinary Collections	. . . . .	40,34	37,60	37,41
Surcharge	. . . . .	..	..	..
Excess Profits Tax	. . . . .	55	50	50
Business Profits Tax	. . . . .	65	25	50
	<hr/>	<hr/>	<hr/>	<hr/>
	41,54	38,35	38,41	39,77
<i>Taxes on Income other than Corporation Tax—</i>				
Ordinary Collections	. . . . .	1,61,61	1,20,70	1,20,99
Surcharge	. . . . .	4,94	4,95	4,80
Excess Profits Tax	. . . . .	86	75	50
Business Profits Tax	. . . . .	43	25	30
	<hr/>	<hr/>	<hr/>	<hr/>
	1,22,84	1,26,65	1,26,59	1,33,93

While Corporation Tax accrues in its entirety to the Centre, the net proceeds of income-tax, except the tax attributable to Central emoluments and centrally administered areas and any Central surcharge, are divisible between the Centre and the Parts A and B States excluding Jammu and Kashmir. Fifty-five per cent. of the net proceeds of such income-tax is distributed among the various States as follows:—

<i>State</i>	<i>Per cent</i>
Assam	2·25
Bihar	9·75
Bombay	17·50
Hyderabad	4·50
Madhya Bharat	1·75
Madhya Pradesh	5·25
Madras	15·25
Mysore	2·25
Orissa	3·50
Pepsi	0·75
Punjab	3·25
Rajasthan	3·50
Saurashtra	1·00
Travancore-Cochin	2·50
Uttar Pradesh	15·75
West Bengal	11·25

The share of income-tax revenue payable to the States has been worked out as follows:—

	Budget 1954-55	Revised 1954-55	Budget 1955-56
Total taxes on income other than Corporation Tax excluding Central surcharge and advance payments	1,08,45	1,08,39	1,71,96
<i>Deduct</i> —Portion attributable to Central emoluments	—2,08	—2,07	—2,26
<i>Deduct</i> —Portion attributable to Part C States and miscellaneous receipts	—2,85	—2,85	—3,10
<i>Deduct</i> —Share of cost of collection	—2,80	—2,79	—2,95
Net divisible pool	1,00,72	1,00,68	1,09,65
Amount payable to States	55,40	55,37	60,31
<i>Add</i> estimated arrears of previous years payable to States	4,00	4,00	14
	<hr/>	<hr/>	<hr/>
	59,40	59,37	60,45

As stated earlier, the shares allocable to Mysore, Saurashtra and Travancore-Cochin (Rs. 3·41 crores this year and Rs. 3·48 crores next year) will be set off against the revenue gap grants which these States are getting under the scheme of federal financial integration.

The net share of income-tax payable to States will thus amount to Rs. 55·96 crores for 1954-55 and Rs. 56·97 crores for 1955-56.

Estate Duty.—Against the original Budget Estimate of Rs. 4 crores, Estate Duty collections this year are now likely to amount to Rs. 1·26 crores only. The Estate Duty proceeds go almost entirely to the States and do not affect the Central Budget. Under Article 269 of the Constitution, the net proceeds of Estate Duty in respect of the property other than agricultural land have to be distributed among the States in accordance with such principles of distribution as may be formulated by Parliament by law; but with the very limited experience of the working of the Estate Duty Act and the lack of basic data, such as sources and area of collection essential to the framing of a scheme of distribution, it has not been possible to make any progress on this question. It is, therefore, proposed that the next Finance Commission should be asked to advise on this issue and that, meanwhile, a provisional distribution should be made on the same basis as the States' share of income-tax.

Opium.—The details of opium revenue are as follows:—

STATEMENT IV

		1953-54 Account	1954-55 Budget	1954-55 Revised	1955-56 Budget
Sale in India—					
Sale of Raw Opium to State Government s		53·59	57·15	49·26	52·40
Sale of medical opium		1·95	2·00	2·20	2·20
Sale of alkaloids of opium		9·09	8·50	9·23	9·05
Sale to countries outside India—					
Sale of Raw Opium		1,23·64	1,13·14	1,62·23	1,31·00
Sale of alkaloids of opium		2·88	3·50	4·00	4·50
Miscellaneous		4·88	0·90	0·95	0·92
TOTAL		1,96·03	1,85·19	2,27·87	2,00·07
<i>Deduct</i> —Refunds		..	—0·19	—1·87	—0·07
Net Revenue		1,96·03	1,85·00	2,26·00	2,00·00
Interest Receipts:					
			1954-55 Budget	1954-55 Revised	1955-56 Budget
India			2·45	3·28	2·62
England			33	33	29
TOTAL			2·78	3·61	2·91

The receipts in India are mostly on account of loans and advances made by the Central Government to Government servants, local bodies and private concerns, while those in England represent mainly the interest portion of the receipts from the Government of the United Kingdom in connection with the funding of liabilities for Railway annuities. The estimates are based on the trend of actuals and the latest information available.

The increase this year is largely due to adjustment of interest on miscellaneous loans to displaced persons.

Civil Administration.—The revenue is distributed over a number of heads the most important of which is Industries and Supplies which accounts for Rs. 5·73 crores this year and Rs. 5·51 crores next year.

Currency and Mint.—The main items that comprise Currency and Mint receipts are:—

STATEMENT V

	1954-55 Budget	1954-55 Revised	1955-56 Budget
(1) Surplus profits of the Reserve Bank	17,50.00	17,50.46	20,00.00
(2) Profits from circulation of bronze and nickel coins	1,28.48	1,34.98	1,37.46
(3) Other Items	1,63.71	1,90.08	1,80.77
TOTAL	20,42.19	20,74.52	23,18.23

Surplus profits of the Reserve Bank next year have been assumed at Rs. 20 crores against the current year's figure of Rs. 17.5 crores as with the creation of large *ad hoc* Central Treasury Bills to finance the Development Schemes in the Five Year Plan the Bank's earnings on its holding of such Treasury Bills are likely to be larger than in the current year.

Details of the receipts included in item (3) are given below:—

	1954-55 Budget	1954-55 Revised	1955-56 Budget
Value of one rupee note forms	42.40	53.00	56.50
Other receipts from the Currency Note Press	1,10.94	1,27.17	1,15.44
Value of unclaimed currency notes, etc	1.10	1.38	1.05
Miscellaneous Mint receipts	9.27	8.53	7.78
TOTAL	1,63.71	1,90.08	1,89.77

Other Sources of Revenue.—The principal heads that come under this description are Land Revenue, State Excise Duties, Stamps, Forest, Registration, Taxes on Motor Vehicles and Other Taxes, Superannuation, Stationery and Printing, Miscellaneous and Extraordinary Receipts. Details by the major heads are:—

	1954-55 Budget	1954-55 Revised	1955-56 Budget
Land Revenue	53	47	461
State Excise Duties	15	11	8
Stamps	1,45	1,53	1,49
Forest	1,11	82	1,00
Registration	2	2	2
Receipts under Motor Vehicles Act	5	5	5
Other Taxes and Duties	7	6	11
Receipts in aid of superannuation	9	14	9
Stationery and Printing	45	49	40
Receipts from Road Transport Schemes	1	4	2
Miscellaneous	3,98	6,10	15,49
Extraordinary Receipts	10,22	75	1,28
TOTAL	18,13	10,58	20,49

A credit of Rs. 9 crores was taken in the original budget from repayment of partition debt by Pakistan but this has not materialised and no credit is now being assumed on this account either in the current year's Revised or in the next year's Budget. The Estimates include about Rs. 1 crore in the Revised from surplus profits on raw sugar imported and refined for sale by sugar factories and Rs. 8 crores in the next year's Budget from profits from the sale of sugar imported on Government Account.

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Posts and Telegraphs.—The table below indicated how the net contribution of Rs. 1,40 lakhs this year and Rs. 70 lakhs next year has been arrived at:—

	1954-55 Budget	1954-55 Revised	1955-56 Budget
Gross Receipts	45,66·00	45,93·00	47,72·00
Working Expenses	42,18·79	42,56·31	44,65·01
NET RECEIPTS	3,47·21	3,36·69	3,06·99
Interest	1,97·21	1,96·69	2,36·99
NET REVENUE	1,50·00	1,40·00	70·00

The broad details of the gross receipts are given below:—

	1954-55 Budget	1954-55 Revised	1955-56 Budget
<i>Postage and Message Revenue</i> —			
Sale of Stamps	24,44·65	24,19·70	24,99·70
Postal Receipts	2,47·10	2,58·09	2,80·70
Telegraph (including Radio) Receipts	1,91·30	2,03·90	2,08·90
TOTAL	28,83·05	28,81·69	29,89·30
<i>Miscellaneous Revenues</i> —			
Interest on Renewals Reserve Fund and fees and other receipts	21·53	22·36	22·46
Postal Receipts (Receipts on account of Money Order, etc.)	3,81·48	3,98·61	4,10·86
Telegraph (including Radio) Receipts (Rent of wires, instruments, etc.)	63·40	73·20	72·20
Telephone Receipts (Rent of telephones, telephone callfees, etc.)	12,16·54	12,17·14	12,77·18
TOTAL	16,82·95	17,11·31	17,82·70
TOTAL REVENUE RECEIPTS	45,66·00	45,93·00	47,72·00

Details of expenditure are given in Statement X.

Railways.—Railways at present pay to General Revenues a consolidated dividend of 4 per cent. on the capital at charge of Railways, other than on unremunerative strategic lines. Under the Railway Convention Resolution of 1954, this arrangement will continue for a further period of 5 years with effect from 1955-56, subject to the following modifications:—

- (a) On the element of over-capitalisation in the railway capital structure, which has been estimated at Rs. 100 crores, only interest at the usual rates chargeable to commercial departments will be charged, and
- (b) On capital expended on new lines, Railways will have a moratorium during the period of construction and 5 years thereafter; but from the 6th year after the opening of the lines to the traffic, the normal dividend of 4 per cent. will be paid, and, in addition, deferred interest for the period of the moratorium will be paid at the rate chargeable to commercial departments from the net earnings on the lines.

The total dividend payable by Railways to General Revenues is estimated at Rs. 34·96 crores this year and Rs. 36·07 crores next year. Of this Rs. 27·88 crores this year and Rs. 29·92 crores next year have been taken in reduction of expenditure under 'interest', the balance of Rs. 7·08 crores this year and Rs. 6·15 crores next year have been treated as contribution to revenues.

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EXPENDITURE ESTIMATES

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The Budget for 1954-55 provided for a total gross expenditure of Rs. 625.32 crores met out of Revenue. It is now estimated that expenditure during the current year would amount to Rs. 614.09 crores. The total gross expenditure during the coming year 1955-56 is estimated at Rs. 681.86 crores.

As explained in para. 6 of the Introductory Note the demands are for the actual expenditure exclusive of recoveries taken in the accounts in reduction of expenditure. A broad reconciliation of the gross expenditure and the net amount shown in the annual financial statement is given below:—

(In thousands of Rupees)

	1954-55 Budget Estimate	1954-55 Revised Estimate	1955-56 Budget Estimate
Total gross expenditure met from Revenue as shown in the demands for grants	6,25,32,35	6,14,09,21	6,81,85,51
<i>Deduct—</i>			
(a) Recoveries (shown in Annexure IX) adjustable in reduction of gross expenditure and taken into account in working out the net expenditure shown in Statement I	1,01,46,38	95,90,35	1,19,09,40
(b) Receipts of the Defence Services taken into account in working out the net expenditure on Defence Services shown in Statement I	10,85,92	11,43,70	10,72,73
(c) "Working Expenses" of commercial departments taken in reduction of gross revenue shown in Statement I—	42,18,79	42,56,31	44,65,01
(i) Posts & Telegraphs	2,35	1,85	2,35
(ii) Irrigation Works	8,02	6,71	8,47
(iii) Road Transport Schemes	6,67	7,03	9,61
(iv) Electricity Schemes . . . . .	..	4,34,00	4,47,36
(v) Govt. Collieries	1,97,21	1,96,69	2,36,99
(d) Expenditure on interests payable by Posts and Telegraphs Department and included in working out the net earnings of that Department shown in Statement I	1,58,00	1,64,40	1,41,15
(e) Expenditure on drawbacks and <i>ex-gratia</i> refunds of Import and Union Excise Duties taken in reduction of gross revenue shown in Statement I	1,58,23,34	1,58,01,04	1,82,93,07
TOTAL—Deduction	4,67,09,01	4,56,08,17	4,98,92,44

Total expenditure shown in Statement I of this memorandum and on Page 3 of the "Budget of the Central Government" (annual financial statement)

Statement VI following shows the distribution of the total gross expenditure by the various Demands for Grants and Appropriations. As the expenditure shown in the annual financial statement is by major heads of account, Annexure IX to this Memorandum indicates how the estimated expenditure during the year 1955-56 under each major head is distributed over the various Demands for Grants and Appropriations.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT VI

			(In thousands of Rupees)
	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
1. Ministry of Commerce and Industry	72,21	79,85	82,00
2. Industries	14,31,05	13,01,78	16,50,72
3. Commercial Intelligence and Statistics	51,14	49,79	53,71
4. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	43,80	50,83	64,66
5. Ministry of Communications	11,38	11,27	11,65
6. Indian Posts and Telegraphs Department	48,49,64	48,49,64	51,22,85
7. Meteorology	1,14,56	1,11,88	1 25 71
8. Overseas Communications Service	98,56	97,08	1,05,46
9. Aviation	2,53,14	2,54,00	2,72,82
10. Miscellaneous Departments and Expenditure under the Ministry of Communications	25,34	11,74	18,64
11. Ministry of Defence	27,39	27,96	30,74
12. Defence Services—Effective—Army	1,59,66,89	1,55,74,50	1,55,88,19
13. Defence Services—Effective—Navy	12,17,88	11,63,28	12,72,44
14. Defence Services—Effective—Air Force	35,90,45	31,92,74	35,48,42
15. Defence Services—Non-effective Charges	15,71,87	15,71,87	16,34,00
16. Ministry of Education	40,98	39,98	54,50
17. Archaeology	48,79	51,32	55,06
18. Other Scientific Departments	2,18,76	2,29,79	2,77,25
19. Education	12,14,51	10,42,45	17,97,17
20. Miscellaneous Departments and Expenditure under the Ministry of Education	32,91	31,58	2,62,28
21. Tribal Areas	4,36,95	4,36,95	5,82,67
22. External Affairs	5,85,75	6,66,42	6,77,4
23. State of Pondicherry . . . . .	..	81,16	2,08,43
24. Miscellaneous Expenditure under the Ministry of External Affairs	2,74	4,25	2,05
25. Ministry of Finance		1,50,19	1,85,11
26. Customs	4,19,03	3,82,	3
27. Union Excise Duties	23,14,45	21,90,98	381
28. Taxes on Income including Corporation tax and Estate Duty	3,72,83	3,59,66	3,98,05
29. Opium	1,95,07	1,90,88	1,72,07
30. Stamps	1,33,70	1,30,07	1,37,84
31. Payments to other Governments, Departments etc.	11,13	11,24	11,06
32. Audit	7,85,74	7,86,45	8,12,58
33. Currency	1,77,04	2,56,91	2,41,97
34. Mint	92,75	98,51	1,00,24
35. Territorial and Political Pensions	21,16	21,60	27,33
36. Superannuation Allowances and Pensions	3,45,82	3,69,87	3,63,10
37. Miscellaneous Departments and other Expenditure under the Ministry of Finance	3,49,79	4,49,68	21,03,86
38. Grants-in-aid to States	32,44,90	32,01,56	35,89,06
39. Miscellaneous Adjustments between the Union and State Governments	2,76	4,02	3,55
40. Pre-partition Payments	1,36,00	1,39,95	1,28,00
<i>Charged—Interest on Debt and other Obligation and Reduction or Avoidance of Debt</i>	<i>88,72,77</i>	<i>88,44,05</i>	<i>1,01,22,22</i>

STATEMENT VI—*contd.*

		(In thousands of Rupees)		
		Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
41. Ministry of Food and Agriculture		48,23	50,40	62,99
42. Forest		43,28	42,00	95,93
43. Agriculture		8,96,94	6,85,93	14,71,85
44. Civil Veterinary Services		39,03	37,35	78,06
45. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture		79,13	1,02,94	5,73,70
46. Ministry of Health		6,96	6,96	7,98
47. Medical Services		1,51,12	1,41,26	1,98,22
48. Public Health		6,34,01	5,79,26	6,49,93
49. Miscellaneous Expenditure under the Ministry of Health		77,37	30,66	88,03
50. Ministry of Home Affairs		1,56,39	1,49,19	2,10,56
51. Cabinet		25,94	27,25	31,30
52. Delhi (Central)		1,57,75	1,51,84	1,61,28
53. Police		1,03,24	1,51,94	1,77,79
54. Census		20,58	10,90	20,00
55. Privy Purses and Allowances of Indian Rulers		5,43,38	5,52,48	5,45,47
56. Andaman and Nicobar Islands		1,96,95	1,67,48	2,00,32
57. Kutch		1,16,97	1,11,44	1,35,12
58. Manipur		82,71	78,42	93,34
59. Tripura		1,31,97	1,23,31	1,46,93
60. Relations with States		58,20	52,56	45,68
61. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs		9,50	19,70	1,83,64
62. Ministry of Information and Broadcasting		1,38,92	1,32,16	141,43
63. Broadcasting		2,32,17	2,44,55	3,13,35
64. Miscellaneous Departments and expenditure under the Ministry of Information and Broadcasting . . . . .		..	..	1,23,99
65. Ministry of Irrigation and Power		10,58	15,08	11,43
66. Irrigation (excluding working expenses), Navigation, Embankment and Drainage works met from Revenue		30	22	25
67. Multipurpose River Schemes		41,71	72,27	1,04,67
68. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power		34,64	41,14	64,71
69. Ministry of Labour		31,63	30,29	34,30
70. Chief Inspector of Mines		9,52	8,94	10,31
71. Miscellaneous Departments and Expenditure under the Ministry of Labour		3,24,95	3,14,00	3,40,64
72. Employment Exchanges and Resettlement		1,29,25	1,21,36	1,74,20
73. Civil Defence		1,20	1,25	1,20
74. Ministry of Law		1,35,04	1,34,19	1,38,52
75. Administration of Justice		13,02	13,99	12,38
76. Ministry of Natural Resources and Scientific Research		7,98	7,65	9,55
77. Survey of India		1,43,79	1,47,60	1,52,44
78. Botanical Survey		6,93	7,01	12,07
79. Zoological Survey		4,49	4,18	5,17
80. Geological Survey		56,57	50,49	74,26

EXPLANATORY MEMORANDUM: GENERAL BUDGET
STATEMENT VI—concl.

(In thousands of Rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
81. Mines	26,01	33,25	56,32
82. Scientific Research	3,21,91	3,26,87	5,18,47
83. Miscellaneous Departments and Expenditure under the Ministry of Natural Resources & Scientific Research	15	15	15
84. Department of Parliamentary Affairs	1,34	1,34	1,72
85. Ministry of Production	41	8,51	10,54
86. Salt	1,38,17	1,34,60	1,35,74
87. Other Organisations of the Ministry of Production	1,29,90	1,07,64	1,11,72
88. Government Collieries . . . . .	..	4,34,00	4,47,36
89. Miscellaneous Departments and Expenditure under the Ministry of Production	2,02,99	1,11,39	98,14
90. Ministry of Rehabilitation	20,10	21,21	25,65
91. Expenditure on Displaced Persons	10,23,51	11,13,22	10,36,78
92. Miscellaneous Expenditure under the Ministry of Rehabilitation	30	12	10
93. Ministry of Transport	40,05	38,71	44,71
94. Ports and Pilotage	62,39	65,05	68,65
95. Lighthouses and Lightships	79,89	61,96	81,52
96. Central Road Fund	4,62,52	4,67,50	4,60,48
97. Communications (including National Highways)	4,88,85	5,24,25	5,06,52
98. Miscellaneous Expenditure under the Ministry of Transport	6,57	4,08	35,21
99. Ministry of Works, Housing and Supply	17,42	16,67	41,62
100. Supplies	2,97,03	2,40,24	2,80,05
101. Other Civil Works	15,48,98	15,37,03	18,90,02
102. Stationery and Printing	5,27,27	5,85,63	6,72,77
103. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	55,56	48,26	70,92
104. Parliament	1,03,43	99,87	1,17,53
105. Miscellaneous Expenditure under the Parliament Secretariat	30	30	30
106. Secretariat of the Vice-President	83	43	73
Charged—Staff Household and Allowances of the President	16,22	15,82	16,64
Charged—Union Public Service Commission	22,22	26,23	27,09
Miscellaneous Expenditure under the Ministry of Defence	5,64	5,74	..
Chandernagore	22,00	10,59	..
Extraordinary Payments	23,09,21	21,88,45	..
Ministry of States	11,72	10,29	..
Bilaspur	37,80	5,14	..
Miscellaneous Expenditure under the Ministry of States	1,03,48	22,69	..
TOTAL	6,25,32,35	6,14,09,21	6,81,85,51

NOTES ON EXPENDITURE ESTIMATES

Details of provision included in the various Demands and Appropriations both by sub-heads and by circles of account are given in the Book of Demands (Vols. I and II) and in the Demands for Grants relating to the Defence Services and the Posts and Telegraphs Department. In the following notes in this Section, mention has been made of the more important reasons for the variations between the budget and revised estimate for the current year and between the revised estimate for the current year and the budget estimate for the next year under the various Demands for Grants and Appropriations.

Unless otherwise stated, all figures quoted hereafter in this Section are in thousands of Rupees.

Ministry of Commerce and Industry:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
72,21	79,85	82,00

The increase in Revised is mainly due to additional expenditure on allowances, honoraria, etc., and contingencies of the Foreign Trade Control Organisation, delegations from the Ministry sent abroad, and expansion of the Secretariat in connection with the work relating to National Industrial Development Corporation. Further increase next year is due to additional staff required for some of the offices of the Foreign Trade Control Organisation.

Industries:

Budget, 1954-55	Revised 1954-55	Budget 1955-56
Rs.	Rs.	Rs.
14,31,05	13,01,78	16,50,72

The saving in the Revised is mainly due to the non-utilisation of the provision included in the Budget for the transfer of the Customs Duty on Tea to the Tea Improvement Fund and the expenditure met therefrom, following the post-Budget change in the accounting procedure advised by the Comptroller and Auditor General of India. The saving is partly counterbalanced by more collections and consequently larger transfer of net proceeds of Excise Duty on mill-made cloth to the Fund for the development of Handloom and Khadi Industry.

The increase in the Budget next year as compared to revised is mainly due to more expenditure on Development of Cottage and Small-Scale Industries (Rs. 2,22 lakhs), and Khadi Industries (Rs. 75 lakhs), provision for payments to the Tea and Coffee and Rubber Boards (Rs. 79 lakhs), provision for the office of the Chief Industrial Adviser (Rs. 18 lakhs), partly off-set by less expenditure on miscellaneous items.

Commercial Intelligence and Statistics:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
51,14	49,79	53,71

The decrease in Revised is mainly due to late filling and non-filling of certain posts and increase next year is mainly due to payment of arrears to the Railways, Steamship Companies and State Governments for collection of certain statistics.

Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
43,80	50,83	64,66

The increase in Revised is mainly due to participation in more exhibitions abroad, membership of the International Tin Council and extension of the life and scope of some Enquiry Committees and Commissions. Increase in budget estimates is mainly on account of increased provision for participation in international exhibitions and fairs and more provision for establishment of trade centres and show rooms abroad.

Ministry of Communications:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
11,38	11,27	11,65

Increase in Budget next year is mainly due to the creation of certain additional posts in connection with the Organisation and Methods work and the opening of a Hindi section in the Ministry, partly offset by less expenditure on Compensation Tribunals.

Indian Posts and Telegraphs Department:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
48,49,64	48,49,64	51,22,85

An analysis of the expenditure incurred in this Department is shown in Statement X. The working of this Department is estimated to show net profit of Rs. 1,40 lakhs this year and Rs. 70 lakhs next year.

Meteorology:

Budget, 1954-55	Revised 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
1,14,56	1,11,88	1,25,71

Decrease in Revised is mainly due to less expenditure on wireless charges paid to the P. & T. Deptt. and partial implementation of certain schemes, partly offset by increase due to recruitment of additional staff etc. Increase in Budget next year is mainly due to increased expenditure on new schemes sanctioned during the current year, provision for meeting incidental charges in connection with deputation of officers abroad, nominal increments, etc.

Overseas Communications Service:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
98,56	97,08	1,05,46

The decrease in Revised is mainly due to certain posts remaining vacant, partly offset by increased provision for depreciation of certain assets. Increase in Budget next year is mainly due to additional capital investments, provision for additional posts and annual increments.

Aviation:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
2,53,14	2,54,00	2,72,82

Provision for additional facilities at certain aerodromes and Communication stations, and supply of Crash Fire Tenders and Plane Savers at new

aerodromes account for the bulk of the increase in budget next year; the other reasons being creation of additional posts, filling up of vacant posts and annual increments.

Miscellaneous Departments and Expenditure under the Ministry of Communications:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
25.34	11.74	18.64

Decrease in Revised is mainly due to less contribution than anticipated to the International Civil Aviation Organisation, savings on account of certain posts remaining unfilled, and non-materialisation of the purchase of certain equipments, in the Wireless Planning and Co-ordination Organisation (Rs. 8.77 lakhs), and non-payment of contributions to Air Corporations, under the provisions of Section 34(2) of the Air Corporations Act, 1953 (Rs. 5 lakhs), partly offset by excess expenditure on contribution to the International Tele-Communications Union and other miscellaneous items. Higher budget provision in 1955-56 is mainly due to more anticipated contribution to the International Civil Aviation Organisation, full provision for vacant posts, purchase of equipments not received during the year in the Wireless Planning and Co-ordination Organisation, etc.

Ministry of Defence:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
27.39	27.96	30.74

Increase in Revised is mainly due to creation of additional posts, increased provision for leave salary, deputation charges, etc., and further increase in Budget is due to provision for the full year in respect of additional posts and deputation of an officer of the rank of a Joint Secretary to the Imperial Defence College in England.

Defence Services:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
2,23,47.09	2,15,02.39	2,20,43.05

The sub-heads of the Demand give broad details of the expenditure on Defence Services met from Revenue and fuller details are given in a separate memorandum circulated with the budget papers.

Ministry of Education:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
40.98	39.98	54.50

The saving this year is due to non-implementation of certain items of UNESCO programme and less expenditure on the office of the Director of Archives, partly offset by increased provision for extra staff in the Ministry. Increase next year is mainly on account of more expenditure in the Secretariat due to creation of additional posts for propagation of Hindi educational films, etc., which was so far being provided for under the

EXPLANATORY MEMORANDUM: GENERAL BUDGET

'Education' Demand and also for other increased activities of the Ministry (Rs. 8·92 lakhs), provision for the new Regional Offices of National Archives at Bhopal and Mount Abu and proposed establishment of the International Centre for Research on Social Problems on Industrialisation and a Nucleus Office of UNESCO for South-East Asia in New Delhi (Rs. 3 lakhs).

Archaeology:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
48,79	51,32	55,06

Increase in Budget next year is mainly due to increased expenditure on conservation of ancient monuments.

Increase next year is mainly due to the absorption of officers and staff of Part B and C States who have not so far been released for service with the Central Government, provision of additional funds for payment to the Jalianwala Bagh Memorial Trust, expenses on conservation of monuments of national importance taken over as a result of integration of States and provision for additional amenities for persons visiting certain monuments of national importance.

Other Scientific Departments:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
2,18,76	2,29,79	2,77,25

The important items included in this Demand are given below:—

Anthropological Survey	8,38	7,13	9,00
Grants to Engineering & Technical Institutions	22,00	22,00	10,34
Grants to non-University Institutions for Development of Scientific & Technical Research	1,30,00	1,30,00	2,00,00
Other grants and Donations to Scientific Societies and Institutions . . . . .	..	12,94	..
Grants to Indian Institute of Science, Bangalore	32,92	32,92	27,25
National Museum	2,50	1,83	2,50
Research Training Scholarships	10,80	10,80	12,00
Practical Training Stipends	8,00	8,00	11,88
Grant to Central Museum, Calcutta	1,16	1,17	1,28
Grant to Individual Research Workers for Fundamental Research	3,00	3,00	3,00
	<hr/>	<hr/>	<hr/>
	2,18,76	2,29,79	2,77,25

Increase in revised estimates is due mainly to more grants-in-aid and donations to Scientific Societies and Institutions (Rs. 12·94 lakhs), partly offset by savings on account of vacancies and non-receipt of some equipments from abroad for the Indian Institute of Science, Bangalore. Increase next year is mainly due to larger grants to non-University Institutions for development of Scientific and Technical Education and Research

(Rs. 70 lakhs), larger number of Research Training Scholarships and provision for posts not filled during the year, partly offset by decrease in the non-recurring grant to the Bangalore Institute and exclusion of grants to University Institutes which are now being paid through the University Grants Commission, grants to which appear in the 'Education' Demand.

Education:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
12,14,51	10,42,45	17,97,17

This Demand provides for expenditure, among other items, on grants to the Central Universities at Delhi, Banaras, Aligarh and Santiniketan, development grants to other Universities, grants to Jamia Millia, Delhi, Lawrence Schools at Sanawar and Lovedale, grants to educational and cultural organisations, Basic and Social Education under the Five Year Plan, Youth Welfare and Physical Education, development of cultural activities, the three National Academies of Arts, Letters and Dance, Drama and Music, scholarships to Scheduled Castes, Scheduled Tribes and other Backward classes, scholarships to students from Asia, Africa and other Commonwealth countries for studies in India and expenditure on the Delhi Polytechnic, the Indian Institute of Technology, Kharagpur, the Central Institute of Education, Delhi and Education Departments attached to the Indian Missions abroad.

The decrease in the current year is due to non-utilisation of the provision for Basic, Secondary and Social Education in full, partly offset by extra expenditure on scholarships to scheduled castes, scheduled tribes and other Backward Classes and increase in expenditure on Labour and Social Service camps.

Budget next year provides for Rs. 10 crores for Basic and Social Education as against Rs. 8 crores in the current budget, Rs. 1,29 lakhs for scholarships to Scheduled Castes, etc., Rs. 50 lakhs for Labour and Social Service Camps, Rs. 13 lakhs for Youth Welfare, Physical Education and Sports, Rs. 1 crore for Indian Institute of Technology, Kharagpur and Rs. 3·5 crores for grants to the University Grants Commission.

Miscellaneous Departments and Expenditure under the Ministry of Education:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
32,91	31,58	2,62,28

The decrease in the Revised is due to less expenditure on acquisition of Art objects and fewer grants to persons distinguished in letters, arts, etc., partly offset by increase in India's contribution to UNESCO and other International Organisations. Increase next year is mainly due to provision for a Central Reference Library, more grants-in-aid to persons distinguished in letters, arts, etc. increased contribution to Indian Council of Cultural Relations, and grants to the Social Welfare Board and voluntary social organisation (Rs. 225 lakhs), provision for which appeared in the current year under "Extraordinary Payments".

Tribal Areas:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
	4,36,95	4,36,95	[5,82,67

The expenditure provided in this Demand relates to the North Eastern Frontier. Broad details of the provision are given below:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
Assam Rifles	1,88,25	1,95,27	2,27,73
Buildings and Communications	6,85	6,32	10,55
Political & Administrative charges	1,25,23	1,30,11	1,66,55
Other expenditure	51,62	48,81	1,02,72
Scheme of Economic Development of Tribal Areas	65,00	56,44	75,12
	<hr/>	<hr/>	<hr/>
	4,36,95	4,36,95	5,82,67

Increase in Budget next year is mainly due to increased expenditure on Works (Rs. 40.75 lakhs), creation of new units and strengthening of the existing ones in the Assam Rifles (Rs. 15 lakhs), expansion and extension of administrative machinery (Rs. 36.44 lakhs) and increased expenditure on economic development programme, reorganisation of medical and educational set-up and on Community Development and National Extension Service (Rs. 31.84 lakhs).

External Affairs:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
	5,85,75	6,66,42	[6,77,45

Broad details of the provision are as under:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
Ministry of External Affairs	86,58	86,58	88,00
Embassies and Missions Abroad	2,25,04	2,31,58	2,43,72
High Commissions and Agents in Commonwealth Countries	67,01	73,85	73,03
Contributions to U.N.O.	72,00	68,54	58,05
Other Miscellaneous expenditure	86,15	1,51,89	1,64,72
Charges in England	48,97	53,98	49,93
	<hr/>	<hr/>	<hr/>
	5,85,75	6,66,42	6,77,45

The increase this year is mainly on account of expenses in connection with India's Chairmanship of the International Commissions for Supervision and Control in Viet-Nam, Laos and Cambodia in Indo-China (Rs. 45 lakhs), payment of increased subsidy to Sikkim under the Seven Year Development Plan (Rs. 14.75 lakhs), increased expenditure in the Indian Missions abroad (Rs. 6.5 lakhs), donations for flood-relief, etc. in foreign countries (Rs. 3.87 lakhs), increased expenditure on entertainment charges from the Hospitality Fund of the Government of India (Rs. 5.1 lakhs), opening of new missions at Phnom Penh (Cambodia), Vientianne (Laos), Hanoi (Viet-Nam), Madrid (Spain), Khartoum (Sudan) and Muscat (Muscat and Oman) (Rs. 2.41 lakhs), and extension of the life of the Central Recovery Organisation (Rs. 3.04 lakhs). Further increase next year is explained mainly by payment of increased subsidy to Sikkim (Rs. 30.50 lakhs), full year's provision for new missions opened during the year and provision for a Consulate at Mandalay and a diplomatic mission at Vienna to be opened next year (Rs. 8.58 lakhs), partly offset

by decrease in contributions to U.N.O. (Rs. 10.49 lakhs), provision for the by decrease in contributions to U.N.O. (Rs. 10.49 lakhs), provision for the expenditure on development measures (Rs. 2.95 lakhs), decrease in discretionary expenditure (Rs. 3.40 lakhs), closure of office of Consulate-General at Pondicherry (Rs. 1.40 lakhs), less entertainment charges paid from the Hospitality Fund of the Government of India (Rs. 2.85 lakhs), less contribution to State Governments for passport work due to the creation of Central Passport Organisation (Rs. 2.87 lakhs), etc.

State of Pondicherry:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
..	81.16	2.0

Pondicherry along with the remaining French Settlements in India was transferred to the Indian Union, *de facto*, with effect from 1st November, 1954 and a Supplementary Grant was obtained in December, 1954 for a sum of Rs. 62.2 lakhs. A further supplementary grant of Rs. 18.96 lakhs is being asked for to meet the cost of acquisition of a Power House from the French Government (Rs. 10 lakhs) and the increase in expenditure on other items which was not anticipated before. The excess in the Budget Estimates for 1955-56 over the Revised Estimates is mainly due to more expenditure on Development Programme (Rs. 60 lakhs), and provision for the full year in respect of different departments.

Ministry of Finance:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,56.21	1,50.19	1,85.11

The saving this year is mainly due to delay in implementation of work in connection with the Estate Duty Bill, certain posts in the Department of Economic Affairs remaining unfilled, delay in the crop-cutting experiments in Orissa and less expenditure on travelling allowances and other charges. Increase in budget next year is mainly due to expansion of the organisation of multi-purpose National Sample Survey (Rs. 28.41 lakhs) and increased provision for additional staff on account of the general expansion of the Ministry.

Customs:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
4,19.03	3,82.11	3,81.75

The decrease in Revised this year is due mainly to less expenditure on Drawbacks and Ex-gratia payments on account of the suspension of payment of drawbacks on aviation spirit and suspension of imports of kerosene/H.S.D. oil (Rs. 18.6 lakhs), less charges paid to the Union Excise Department on account of Customs work at the outports and land customs charges (Rs. 18.29 lakhs), and savings due to vacant posts, less expenditure on leave-salary, etc. Budget next year provides for more expenditure on purchase, repairs and maintenance of motor boats and more Drawbacks and Ex-gratia payments.

Union Excise:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
23,14,45	21,90,98	23,38,41

The Revised estimate includes Rs. 15.11 crores for payment of share of net proceeds of the Union Excise duties assigned to States under the Finance Commission's award, as against Rs. 16.29 crores assumed in the current budget. The reduction is due to less collections of duty on tobacco and vegetable products, counterbalanced to some extent by increased collection on matches. Next budget includes provision of Rs. 16.66 crores as share payable to the States.

Taxes on Income including Corporation Tax and Estate Duty:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
3,72,83	3,59,66	3,98,05

The decrease in Revised is mainly due to non-filling of certain posts. Increase in next year's provision is on account of additional posts created under the Directorate of Inspection (Income-tax), full provision for the staff for Estate Duty, filling up of vacant posts, provision for income-tax staff for Jammu and Kashmir and other miscellaneous items.

Opium:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,95,07	1,90,88	1,72,07

The decrease in the Revised estimates is due to less outturn of opium than originally anticipated, and non-receipt of certain plant and machinery for the Opium factory, Ghazipur, during the current financial year. The decrease in the Budget estimates for 1955-56 is due to less provision for payments to cultivators owing to lower yield of opium than anticipated and non-inclusion of provision for purchase of opium owing to ban on poppy cultivation in Himachal Pradesh.

Stamps:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,33,70	1,30,07	1,37,84

The saving in Revised is mainly due to smaller consumption of water and less payments of grants-in-aid than originally anticipated and throw forward of certain liabilities in connection with imported stores to 1955-56. Excess next year is due to more paper, etc. required to meet the anticipated increase in the demands for press products, partly counterbalanced by less requirement of stores from abroad.

Audit:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
7,85,74	7,86,54	8,12,58

The increase this year is mainly due to more expenditure on travelling allowances on account of intensification of local inspections, increased

activities of the Commercial Audit Wing and more claims for re-imbursement of medical treatment charges. The increase next year is mainly due to provision for more staff for audit of expenditure in connection with the increased activities of the Central and State Governments.

Currency:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,77,04	2,56,91	2,41,97

The increase in Revised is mainly due to the cost of and customs duty on additional paper, etc. imported from abroad to meet the increased demand for Bank and Currency notes and decrease in budget next year is on account of smaller provision for such imports.

Mint:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
92,75	98,51	1,00,24

Increase in Revised estimates is mainly explained by the increase in overtime pay and allowances to operative establishment in the Bombay and Alipore Mints, on account of increase in work and the decision to treat Dearness Pay, Compensatory and other allowances as pay for the purposes of grant of overtime pay; and also by payment of the cost of certain equipments, which were expected to be received and paid for during 1953-54 but have actually been received during this year. Increase next year is mainly on account of more payment of overtime pay due to the anticipated continuance of 48-hour week in the Bombay and Alipore Mints to meet the heavy pressure of work, and increased expenditure under contingencies.

Territorial and Political Pensions:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
21.16	21.60	27,31

This Demand accommodates the territorial and political pensions which used to be included in the Crown Representative's Budget before Independence. Increased provision next year is on account of the anticipated payment of certain arrears.

Superannuation Allowances and Pensions:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
3,45,82	3,69,87	3,63,20

Increase in Revised is mainly due to arrear payments to certain Part 'A' States on account of Centre's liability for pre-integration civil pensions, larger payments than originally anticipated on account of death-cum-retirement gratuity paid under the liberalised pension rules introduced from 17th April, 1950, and provision for payment of pensionary

charges of the High Court Judges which are "charged" initially on the consolidated Fund of India, under Article 112(3) (d) (iii) of the Constitution and then recovered from the States. Provision next year is based on the trend of actuals and anticipated retirements next year.

Miscellaneous Departments and other Expenditure under the Ministry of Finance:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
	3,49,79	4,49,68	21,03,86

The important items for which provision has been made are shown below:—

	(In lakhs of Rupees)		
Joint Stock Companies	6·10	5·99	8·47
Controller of Insurance	8·12	7·27	8·58
Grants-in-aid	10·71	10·71	14·51
Planning Commission	21·76	20·66	24·93
Research Programme Committee	20·00	12·80	17·00
Contributions	1·50	8·71	28·60
Small Savings Scheme	18·13	17·25	19·35
Service charges in connection with purchase of Dollars from I.M.F.	50·76	50·75	3·56
Industrial Finance Corporation	7·00	4·06	7·00
Contribution to U.N.O.	14·34	14·28	19·05
Expenditure in connection with Technical Aid to S. & S.E. Asia	17·14	17·39	22·00
Expenditure in connection with Economic Aid to friendly Countries	80·00	2,13·73	2,66·31
Local living cost of U.N. Experts	13·60	3·60	8·70
Community Project Administration	7·46	8·50	9·97
Programme Evaluation Organisation	6·86	10·36	6·73
Taxation Enquiry Commission	6·60	7·82	..
Social Education Organisers' Training Scheme	7·28	3·02	8·60
Seminars	0·80	0·80	0·14
Company Law and Investment Administration	6·90	2·17	7·10
Training of Staff for C.P.A. and N.E.S.	4·08	4·08	2·62
Court of Liquidators . . . . .	..	0·45	0·69
Equipment from U.S.S.R. for I.S.I. under U. N. T.A.A. . . . .	..	..	34·004
Other Items	40·65	25·28	7·8
Grants to States for Community Development and N.E. Service . . . . .	..	..	12,58·78
Repayment of Capital Expenditure of Grants for Development —Development Grants to Part 'B' States . . . . .	..	..	19·33
Assistance for Natural Calamities . . . . .	..	..	3,00·00
	<u>3,49·79</u>	<u>4,49·68</u>	<u>21,03·86</u>

The increase in Revised Estimates is mainly due to increased expenditure on economic aid to friendly countries (Rs. 133·73 lakhs), more expenditure under the Programme Evaluation Organisation (Rs. 3·5 lakhs) and more contributions to the Indian Institute of Chartered Accountants (Rs. 8 lakhs), partly off-set by savings under the Research Programme Committee (Rs. 7·20 lakhs), less subvention to the Industrial Finance Corporation (Rs. 2·94 lakhs), less expenditure on local living costs of U.N. experts (Rs. 10 lakhs), savings under the Social Education Organisers' Training Schemes on account of non-receipt of equipments under T.C.A. Programme (Rs. 4·26 lakhs), delay in setting up of certain centres under the Company Law and Investment Administration (Rs. 4·73 lakhs) and less Exchange on remittance transactions than anticipated (Rs. 24 lakhs).

Increase in next Budget is mainly on account of Grants to States for Community Development and N.E. Service (Rs. 12,58·78 lakhs), Assistance for Natural Calamities (Rs. 3,00 lakhs), and for write-back to revenue of the Capital expenditure on Grants for Development given to States (Rs. 85·53 lakhs). Most of these items were being shown previously under the Demand "Extraordinary Payments". Other increases are due to more grants-in-aid to the Indian Statistical Institute (Rs. 3·8 lakhs), more expenditure on the Research Programme Committee (Rs. 4·2 lakhs), more contributions to the U.N.O. (Rs. 4·77 lakhs), more technical and economic aid to countries of South and South East Asia and friendly countries (Rs. 57 lakhs), more expenditure on local living costs of U.N. experts (Rs. 5·1 lakhs), additional provision for the cost of equipment to be received next year under the T.C.A. Programme for Social Education Organisers' Training Scheme (Rs. 5·58 lakhs) and in respect of new centres to be opened under the Company Law and Investment Administration (Rs. 4·93 lakhs), cost of equipments to be received from the U.S.S.R. for I.S.I. under U.N.T.A.A. (Rs. 34 lakhs) and increase on other miscellaneous items. This is partly off-set by less provision for loss on exchange on local transactions (Rs. 10 lakhs), less service charges in connection with purchase of dollars from I.M.F. (Rs. 47·19 lakhs), etc.

Grants-in-aid-to States:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
32,44,90	32,01,56	35,89,06

The details are:

Grants under the Constitution:

Under Art. 273	3,15,00	3,15,00	3,15,00
Under Art. 275(i)	7,05,00	7,05,00	7,55,00
Under provisos to Art. 275(i)	3,56,00	3,56,00	4,37,00
Under Art. 278	9,00,00	9,00,00	9,00,00

The details are:

Other Grants

Part C States	6,08,90	5,33,56	7,82,06
Jammu and Kashmir	3,60,00	3,92,00	4,00,00
TOTAL. . .	32,44,90	32,01,56	35,89,06

This Demand accommodates grants payable to States under Articles 273, 275 and 278 of the Constitution and also the grants payable to the Part C States having their own Consolidated Funds to meet their revenue deficit and to meet the expenditure on the Welfare of Scheduled Tribes and development of Scheduled Areas in these States.

The amounts of grants payable under Article 273 and the substantive provision of Article 275(i) of the Constitution are based on the recommendations of the Finance Commission. Following the financial integration of Jammu and Kashmir with the Union of India, an additional amount of Rs. 32 lakhs was provided this year as grant to the State after taking into account its overall budgetary position, as a result of the integration. A Supplementary Grant for this amount was taken in December, 1954. Next year's budget provides for a grant of Rs. 400 lakhs to the State.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

Details of the amounts payable to the various States are given below:—

Grants-in-aid under Art. 273:—

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
West Bengal	1,50,00	1,50,00	1,50,00
Bihar	75,00	75,00	75,00
Assam	75,00	75,00	75,00
Orissa	15,00	15,00	15,00
TOTAL	3,15,00	3,15,00	3,15,00

Grants-in-aid under the substantive provision of Article 275(i):—

	80,00	80,00	80,00
West Bengal	1,44,00	1,44,00	1,48,00
Punjab	55,00	55,00	69,00
Bihar	33,00	33,00	42,00
Madhya Pradesh	1,00,00	1,00,00	1,00,00
Assam	97,00	97,00	1,02,00
Orissa	27,00	27,00	33,00
Hyderabad	40,00	40,00	40,00
Mysore	26,00	26,00	33,00
Rajasthan	12,00	12,00	15,00
Madhya Bharat	45,00	45,00	45,00
Travancore-Cochin	40,00	40,00	40,00
Saurashtra	6,00	6,00	8,00
TOTAL	7,05,00	7,05,00	7,55,00

Grants under the provisos to Article 275(1):—

	20,00	20,00	20,00
Bombay	3,00	3,00	4,00
Madras	12,00	12,00	15,00
Andhra	12,50	12,50	15,00
West Bengal	28,00	28,00	37,00
Madhya Pradesh	8,50	8,50	9,00
Punjab	30,00	30,00	40,00
Bihar	36,00	36,00	50,00
Orissa	1,72,25	1,72,25	1,95,00
Assam	10,00	10,00	15,00
Madhya Bharat	1,00	1,00	2,00
Travancore-Cochin	1,25	1,25	2,00
Mysore	7,00	7,00	7,00
Hyderabad	13,00	13,00	14,00
Rajasthan	1,50	1,50	2,00
TOTAL	3,56,00	3,56,00	4,37,00

A sum of Rs. 40 lakhs has been included in the current year and next year's estimates on account of the grant payable to the Government of Assam under sub-clause (a) of the second proviso to Article 275(i) of the Constitution.

Grants-in-aid under Article 278 for revenue gap:—

	3,45,00	3,45,00	3,45,00
Mysore	2,80,00	2,80,00	2,80,00
Travancore-Cochin	2,75,00	2,75,00	2,75,00
Saurashtra	9,00,00	9,00,00	9,00,00

Other Grants.—

Grants-in-aid to Part C States having separate Consolidated Funds.—
(a) to meet revenue deficit:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
Delhi	12,90	6,40	59,95
Ajmer	1,36,00	1,35,00	1,88,11
Vindhya Pradesh	1,77,00	1,50,00	1,90,00
Himachal Pradesh	1,20,00	90,00	1,37,00
Bhopal	1,46,00	1,36,00	1,83,00
TOTAL	5,91,90	5,17,40	7,58,06

(b) for welfare of Scheduled Tribes and development of Scheduled Areas:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
Ajmer	4,00	4,00	5,0
Bhopal	4,00	3,19	5,0
Vindhya Pradesh	7,00	7,00	10,0
Himachal Pradesh	1,00	97	2,0
Coorg	1,00	1,00	2,00
TOTAL	17,00	16,16	24,00
TOTAL GRANTS TO PART C STATES	6,08,90	5,33,56	7,82,06
Grant to Jammu and Kashmir	3,60,00	3,92,00	4,00,00

Pre-partition Payments:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
	1,36,00	1,39,95	1,28,00

The increase in the Revised Estimates is mainly due to the provision made for payment of compensation for rent to the ex-owner of certain premises at Calcutta requisitioned during 1941, which has been decreed against Government by the High Court of Calcutta (Rs. 3·48 lakhs). Reduction next year is due to decline in outstanding relating to the pre-partition period.

Interest on Debt and other obligations:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
	88,72,77	88,42,05	101,32,22

Under the Indian Independence (Rights, Property and Liabilities) Order, 1947, all liabilities in respect of loans, guarantees and other financial obligations of the Governor-General in Council outstanding immediately before the date of Partition have been placed on India, subject to the recovery of an appropriate contribution from Pakistan. The initial liability for the outstanding debt of the undivided Government has thus been assumed by India with the result that while India pays interest on the debt to the bond holders, recovery from Pakistan will be effected as part of the debt settlement between the two countries. In regard to the outstanding in respect of Post Office Savings Bank and Post Office Cash, Defence and National Savings Certificates it was agreed that each Dominion should take over liability for the deposits and certificates outstanding in its respective area subject to adjustment for transfers from one Dominion to another till the 31st March, 1948. The provision made for interest on Savings Bank Deposits and for the bonus on the certificates takes into account this decision of the Partition Council. It has been assumed that the balances in the Provident Funds of Government servants who opted for either Dominion will be taken over by that Dominion from the date of Partition. Similarly the provision for interest on Depreciation and other

Reserve Funds and the recovery of interest on the Capital Outlay of Commercial Departments allows for the reduction in the outstandings as a result of Partition.

The payments on account of rupee, sterling and other debt (details of which appear in the Demands for Grants) and the transfers on account of interest charged on Commercial Departments are broadly summarised below.

STATEMENT VII

	Budget, 1954-55	(in lakhs of rupees) Revised, 1954-55	Budget, 1955-56
GROSS PAYMENTS			
A.—Interest on Ordinary Debt—			
(i) Rupee Debt—			
(a) Management of Debt	22.15	24.17	24.64
(b) Expenditure connected with the issue of new Loans and sale of securities held in the Cash Balance Investment account	6.54	11.82	9.46
(c) Discount written off to revenue	90.40	86.70	1,04.75
(d) Interest on temporary loans	10,70.00	9,75.00	16,00.00
(e) Payments of Prizes in respect of 5-year Interest free Prize Bonds	0.05	0.01	0.01
(f) Interest on all other loans	42.53.75	42.75.18	47,31.36
(g) Other Items	0.40	0.53	0.50
(ii) Sterling Debt—			
(a) Interest on Loans contracted in England	3.50	4.00	2.00
(b) Interest on Railway annuities	15.08	15.08	10.81
(c) Interest on outstanding liabilities of Railway Companies taken over on purchase	0.16	0.15	0.14
(d) Management of debt	0.04	0.04	0.03
(e) Other Items	13.56	13.56	11.39
(iii) Other Debt—			
(a) Interest on Dollar Loan from International Bank for Reconstruction and Development	96.24	92.30	91.88
(b) Interest on American Wheat-Loan	2,26.20	2,26.20	2,26.20
TOTAL	57,98.07	57,24.74	68,13.83
B.—Interest on Unfunded Debt and Other Obligations—			
Bonus on Post Office Certificates	6,75.38	6,70.43	7,35.89
Post Office Savings Bank Deposit	4,41.00	4,46.63	4,93.22
Interest on Ten-year Treasury Savings Deposit Certificates	1,12.47	1,12.37	1,31.62
State Provident Funds	4,77.03	4,87.01	5,50.14
Service Funds	13.19	12.19	11.17
Railway Depreciation Fund	3,21.46	3,88.28	3,22.97
Railway Revenue Reserve Fund	1,16.38	1,17.06	1,34.64
Railway Development Fund	50.36	56.89	30.74
Posts and Telegraphs Renewals Reserve Fund	15.89	17.19	18.32
Telephone Development Fund	5.76	6.10	5.32
Other Items	3,45.78	3,03.16	3,84.36
TOTAL	25,74.70	26,17.31	28,18.39
TOTAL—GROSS PAYMENTS	83,72.77	83,42.05	96,32.22
<i>Reduction or Avoidance of Debt</i>	<i>5,00.00</i>	<i>5,00.00</i>	<i>5,00.00</i>

(a) A statement showing the outstanding rupee and sterling loans is given below (Statement VIII).

(b) The amount shown against item A(iii) (a) represents interest and commission on the dollar loans taken from the International Bank for Reconstruction and Development for the Railway, Land Reclamation and Bokaro Thermal Projects, and that against A(iii) (b) interest on the loan taken from the United States Government for the purchase of wheat.

(c) The decrease in the interest on 'Temporary Loans' in the Revised is on account of less issue of Treasury Bills than anticipated. The increase next year is due to the increased issue of Treasury Bills on account of the added impetus given to the development schemes in the closing period of the Five Year Plan.

(d) The increase in the interest on 'all Other Loans' in the Revised is mainly due to the market loan floated in the year which realised Rs. 158·1 crores against Rs. 75 crores assumed in the Budget. The increase in interest next year is mainly due to increased borrowings. A new loan of Rs. 125 crores has been assumed next year against the discharge of two loans amounting to Rs. 69·5 crores.

(e) Estimates of interest in respect of the remaining items reflect the usual growth in balances of Small Savings, Provident Funds, Depreciation Funds and similar other accounts. In addition, provision has been included next year for the increase in the rate of interest on State Provident Funds from 3½ per cent. to 3¾ per cent.

(f) *Reduction or Avoidance of Debt.*—The usual provision of Rs. 5 crores has been made.

STATEMENT VIII

(In lakhs of Rupees)

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31-3-1955
TERMINABLE LOANS—			
4 1/2 per cent Loan, 1955-60 . . .	15th September, 1928	15th September, 1955 . . .	Rs. 9,06
4 1/2 per cent Loan, 1958-68 . . .	1st June, 1928 . . .	1st June, 1958 . . .	5,85
4 per cent Loan, 1960-70 . . .	15th September, 1926	15th September, 1960 . . .	63,30
3 per cent Loan, 1963-65 . . .	1st June, 1938 . . .	1st June, 1963 . . .	1,16,17
3 per cent Funding Loan 1966-68.	22nd October, 1943	1st October, 1966 . . .	1,10,12
3 per cent Victory Loan, 1944 . . .	1st April, 1944 . . .	1st September, 1957 . . .	1,14,07
3 per cent Second Victory Loan, 1959-61	19th March, 1945	15th August, 1959 . . .	1,13,66
3 per cent First Development Loan 1970-75.	16th April, 1945 . . .	15th October, 1970 . . .	1,15,06
2 3/4 per cent Loan, 1960 . . .	15 January, 1946 . . .	15th July, 1960 . . .	45,63
2 1/2 per cent Loan, 1961 . . .	1st August, 1946 . . .	1st August, 1961 . . .	57,01
2 3/4 per cent Loan, 1976.	16th September, 1946	16th September, 1976 . . .	14,77
2 3/4 per cent Loan, 1962.	15th November, 1947	15th November, 1962 . . .	75,87
2 1/2 per cent Loan 1955 . . .	1st October, 1948 . . .	1st October, 1955 . . .	60,45
3 per cent Loan, 1964 . . .	19th June, 1950 . . .	15th June, 1964 . . .	30,33
3 per cent Loan, 1958 . . .	16th August, 1951	16th August, 1958 . . .	50,36
3 1/2 per cent National Plan Bonds, 1961.	1st June 1953	1st June 1961	75, 29
3 1/2 per cent National Plan Loan, 1964.	19th April, 1954	19th April, 1964 . . .	1,58,10
BHOPAL LOANS—			
3 per cent Loan, 1966-76 . . .	18th November, 1946	Repayable at par on 15-11-76 but the Govt. have the option of repaying at any time after 15th November, 1966, with 6 months' notice. Repayable at par on 1-11-1957 or at any time with 3 months' notice	1,19
2 1/2 per cent War Bonds, 1957	1st November, 1944		26
		TOTAL . . .	<u>12,16,55</u>
NON-TERMINABLE LOANS—			
3 per cent 1896-1897 . . .	22nd July, 1896 . . .	At the option of the Government of India after three months' notice.	8,93
3 per cent Conversion Loan, 1946	16th September, 1946	At any time on or after 16th September, 1986, subject to three months' notice.	2,48,92
		TOTAL . . .	<u>2,57,85</u>
		TOTAL—RUPEE DEBT	<u>14,74,40</u>
II. Sterling Loans Outstanding on 31st March, 1955			
4 1/2 per cent Loan, 1958-68	1st June, 1928 . . .	1st June, 1958 . . .	54
2 1/2 per cent Loan, 1926 . . .	1892-1900 . . .	At any time subject to one year's notice.	15
Railway Debenture Stocks at Portion of Railway annuities.	1892-1900 . . .	Perpetual	4 3,18
		TOTAL . . .	<u>3,91</u>

Ministry of Food and Agriculture:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
48,23	50,40	62,99

Increase in the Revised Estimate is due mainly to the payment of fees etc. to the Special Counsel engaged in connection with the Fertilizers case, for which a Supplementary Grant of Rs. 1 lakh was obtained in December 1954. Increase in the Budget Estimates next year is due mainly to provision made for the Soil Conservation Board and Extension Organisation, as also due to miscellaneous increased activities of the Ministry.

Forest:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
43,28	42,00	95,93

Savings in the current year are due mainly to the delay in the filling up of certain posts in the Central Soil Conservation Board and in the Training Centres for Soil Conservation staff (Rs. 3 lakhs), less grants to the Indian Board for Wild Life for national parks in the country partly counter-balanced by increased provision for the Forest Research Institute on account of incidental expenditure in connection with equipment to be received under the T.C.A. Programme and more expenditure than anticipated on the World Forestry Congress, etc. Increase in Budget Estimates next year is due mainly to provision made for grants to States for Soil Conservation Schemes which were being shown previously under the Demand "Extraordinary Payments" (Rs. 40 lakhs), and provision for Soil Conservation Research and Demonstration Centres (Rs. 12 lakhs).

Agriculture:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
8,96,94	6,85,93	14,71,85

The broad details of the provision made in this Demand are shown below:—

Sugarcane Station, Coimbatore	6,50	5,64	3,64
Directorate of Plant Protection, Quarantine and Storage	47,22	38,36	46,03
Directorate of Economics and Statistics	6,26	6,39	7,89
Vegetable Oil Products Controller for India	3,69	5,97	6,60
Boring Operations : Project for Ground Water Exploration	1,88,00	99,38	2,43,70
Grants to :—			
(i) Indian Council of Agricultural Research	22,73	21,50	26,37
(ii) Indian Central Tobacco Committee	8,00	8,00	16,00
(iii) Indian Central Sugarcane Committee	8,00	8,00	8,00
(iv) Indian Central Jute Committee	25,00	25,00	15,00
(v) Indian Central Arecaanut Committee	1,50	1,50	2,00
(vi) Indian Society of Agricultural Economics	20	20	50
(vii) Central Council of Gosamvardhan	2,00	2,00	2,00
(viii) Grants to State Governments for Gosadan and Key Village Schemes	33,77	21,48	47,00
Grants to State Govts. for Rinderpest Schemes . . . . .	..	4,30	3,52
Indian Council of Agricultural Research—Administrative Expenditure	11,70	11,52	13,93
Payments to the I.C.A.R. of net proceeds of the cess on agricultural produce	30,00	47,00	36,00
Agricultural Marketing	29,21	18,08	36,21
Fumigation of American Cotton	4,29	4,29	5,88
Transfer to the Fund of the proceeds of the sales of sugar stocks taken over on decontrol	3,69	3,69	4,18
Grants for Grow-More-Food Schemes . . . . .	..	..	4,30,00
Grants-in-Aid to States for improvement of Land Records and Agricultural Statistics . . . . .	..	..	16,00
Grants to State Governments for Dairy Schemes . . . . .	..	..	27,00
Other Miscellaneous Expenditure	4,65,18	3,53,63	5,04,40
TOTAL . . .	8,96,94	6,85,93	14,71,85

Decrease in the Revised Estimates is due mainly to non-receipt of material and equipment under T.C.A. Programme for Ground Water Exploration, Higher Agricultural Education (Rs. 1,47 lakhs), non-receipt of material and equipment under Colombo Plan and under Indo-Norwegian Assistance Programme for Fisheries Development Project (Rs. 36 lakhs), slow progress in respect of Key Village and Gosadan Schemes in States (Rs. 13 lakhs), non-filling up of certain posts (Rs. 9 lakhs), etc. This was partly offset by increased expenditure due to payment to the Indian Council of Agricultural Research of the arrears of cess on agricultural produce (Rs. 17 lakhs).

Increase in Budget Estimates next year is due mainly to grants to States for G.M.F. Schemes, which were being shown previously under the Demand "Extraordinary Payments" (Rs. 4,00 lakhs), increased provision for Ground Water Exploration (Rs. 1,44 lakhs) and for the Fisheries Project (Rs. 1,28 lakhs), larger grants-in-aid for Key Village and Gosadan Schemes (Rs. 26 lakhs), higher grants-in-aid for Agricultural Education (Rs. 29 lakhs), grants to States for improvement of land records and Agricultural Statistics (Rs. 16 lakhs), grants to States for financing Dairy Schemes (Rs. 27 lakhs), etc.

Civil Veterinary Services:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
39,03	37,35	78,06

Decrease in the Revised Estimates is mainly due to less expenditure on the Indian Veterinary Research Institute and on certain schemes sponsored by them.

Increase next year is mainly due to grants to Veterinary Colleges (Rs. 30 lakhs) and additional expenditure on the purchase of animals in the Indian Veterinary Research Institute.

Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
79,13	1,02,94	5,73,70

The important items of expenditure included in this Demand are as given below:—

(In lakhs of Rs.)			
(1) Contributions			
(2) Loss on American Loan Wheat	17.00	14.88	17.44
(3) Compensation paid to sugar factories on account of reduction in control prices of 1951-52 season's stocks	49.00	49.00	49.00
(4) Compensation paid to sugar factories on account of export of sugar at reduced price	..	8.47	..
(5) Bonus to State Governments for internal procurement of Foodgrains	..	2.23	..
(6) Grants to State Govts. for resettlement of landless workers	3.00	5.68	.01
(7) Basic Agricultural Schools	..	..	49.00
(8) Training centres for Village Level Workers	..	..	51.00
(9) Grants to States for schemes of Co-operative training and co-operative farming	..	..	64.00
(10) Misc. Departments	10.00	10.00	20.00
(11) Trading losses in purchase of food grains transferred from Capital outside the Revenue Account	..	..	14.00
			3,00.00

Increase in Revised Estimates is mainly due to compensation paid to Sugar factories on account of reduction in controlled prices of 1951-52 season's stock (Rs. 8.47 lakhs), compensation paid to sugar factories on account of export of sugar at reduced price (Rs. 2.23 lakhs), provision for certain arrear claims of State Governments on internal procurement of foodgrains (Rs. 3 lakhs), and subsidies paid to State Governments for loss on supply of imported food grains. Increase in the Budget Estimates next year is due mainly to transfer to revenue of a part of trading losses incurred on the sale of rice stocks taken over by the Centre from the States following decontrol in July, 1954 (Rs. 3 crores), provision for basic agricultural schools and training of village level workers which were being shown previously under the Demand "Extraordinary Payments" (Rs. 1.24 lakhs), provision for grants to State Governments for resettlement of landless workers (Rs. 49 lakhs) and grants to States for co-operative training and education and experiments in Co-operative farming (Rs. 20 lakhs); partly off-set by non-inclusion of provision for compensation to sugar factories and bonus to State Governments on internal procurement of food grains.

Ministry of Health:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs. 6,96	Rs. 6,96	Rs. 7,98

Increase in Budget next year is due to provision made for the additional staff for the full year to cope with the increase in work relating to the All India Medical Institute and the Contributory Health Scheme.

Medical Services:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs. 1,51,12	Rs. 1,41,26	Rs. 1,98,22

Less expenditure in the current year is due mainly to lesser grants-in-aid to hospitals and other Institutions, reduced expenditure on the purchase of equipment for the All India Medical Institute which was set up late in the year partly off-set by increase due to larger expenditure on medicines and essential staff employment in connection with the contributory Health Services Scheme. Increase in next year's estimates is due mainly to an additional provision of Rs. 22.68 lakhs for the All India Medical Institute, more provision for the Contributory Health Services Scheme for Government Employees, Delhi (Rs. 9 lakhs) and increased provision for research in Indigenous and other systems of medicines (Rs. 20 lakhs).

Public Health:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs. 6,34,01	Rs. 5,79,26	Rs. 6,49,93

The saving in the revised is mainly due to payment of lesser grants to medical colleges and research institutions on account of supply of equipment under T.C.A. Programme (Rs. 30 lakhs), less expenditure on family planning (Rs. 21 lakhs) and less expenditure on Child Care Training Centre due to non-establishment of rural and urban practice fields.

The increase next year is mainly due to increased provision for grants for public health purposes. Provision in the next year includes grants for the scheme for control of leprosy (Rs. 20 lakhs), grants to Medical and Research Institutions on account of equipments received under the T.C.A.

Programme (Rs. 61 lakhs), grants for opening Health centres in National Extension Development Blocks in the States (Rs. 45 lakhs) and grants for the schemes for establishment of maternity and child welfare centres in States (Rs. 30 lakhs), grants on account of materials and equipment received under the Colombo Plan for T.B. Control, Demonstration and Training Centres in Hyderabad, Bombay, Madhya Pradesh and Uttar Pradesh (Rs. 8 lakhs), grants for giving relief to destitute displaced persons from West Pakistan, suffering from T.B. (Rs. 7.50 lakhs), and grants to T.B., Leprosy and other voluntary institutions (Rs. 30 lakhs).

Miscellaneous Expenditure under the Ministry of Health:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
77.37	30.66	88.03

The provision in the original budget of Rs. 46.67 lakhs meant for transfer to the Special Development Fund has proved unnecessary as no contribution has been received from the New Zealand Government during the current year for the establishment of an All India Medical Institute. The increase next year is due mainly to the provision made for transfer to the Special Development Fund of the contribution of the New Zealand Government and increase in India's contribution to the W.H.O. and UNICEF.

Ministry of Home Affairs:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
1,56.39	1,49.19	2,10.56

The saving in the Revised is due mainly to certain posts remaining vacant in the Intelligence Bureau and the Secretariat Training School. The increase in the Budget next year is mainly due to the merger of the Ministry of States with the Ministry of Home Affairs, expansion of the activities of the Intelligence Bureau (Rs. 48 lakhs), provision for holding frequent Regional Conferences under the Technical Sub-Committee and provision for additional staff for the head-quarters office of the Commissioner for Scheduled Castes and Scheduled Tribes.

Cabinet:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
25.94	27.25	31.30

The increase in the Revised is mainly due to increase under Tour expenses of Ministers by Rs. 1.5 lakhs. Increase next year is due to the appointment this year of more Ministers of State and increase of expenditure under the Cabinet Secretariat.

Delhi:

Budget 1954-55	Revised, 1954-55	Budget, 1954-55
Rs.	Rs.	Rs.
1,57.75	1,51.84	1,61.28

The saving in the Revised Estimates is due mainly to certain posts remaining vacant during the year and the increase in the next year's Budget is due to more expenditure on pay and allowances of the District Police, normal increments, etc.

Police:

Budget, 1954-55	Revised, 1954-55	Budget, 1954-56
Rs.	Rs.	Rs.
1,03,24	1,51,94	1,77,79

Increase in expenditure this year is due mainly to fresh appointments, larger expenditure on the supply of Indian Independence Medals for award to the Police in the States (Rs. 4 lakhs), increase in lump sum charges paid to State Governments (Rs. 44 lakhs) in connection with the border Police, etc. Increase in next budget is due mainly to additional provision under lump sum charges paid to State Governments including provision for border Police for Jammu and Kashmir (Rs. 11 lakhs) and for Goa border Police (Rs. 10 lakhs).

Census:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
20,58	10,90	20,00

Decrease in Revised is due mainly to non-implementation of the scheme for improvement of Population Data, partly off-set by increase under certain other items. Increase in Budget next year as compared to Revised Estimates of this year is due mainly to provision made for the scheme mentioned above.

Privy purses and allowances of Indian Rulers:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
5,43,38	5,52,48	5,45,47

This demand provides for the payment of privy purses to the Rulers of the former Indian States and allowances to their relatives under the covenants entered with them. Increase in revised is mainly due to payment of arrears of privy purses to the Ruler of Baroda and payment of allowances to the Raja of Poonch.

Andaman and Nicobar Islands:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-5
Rs.	Rs.	Rs.
1,96,95	1,67,48	2,00,32

A broad analysis of the provision included in this Demand is given below :—

	Rs.	Rs.	Rs.
Forest	84,64	84,64	81,97
Ports & Pilotage	53,51	40,49	56,29
Administrative Departments	32,03	18,33	32,33
Beneficent Departments	14,30	11,83	16,51
Other Expenditure	12,47	12,19	13,22
	<hr/>	<hr/>	<hr/>
	1,96,95	1,67,48	2,00,32

The saving in the Revised occurs mainly under 'Ports and Pilotage' (Rs. 13·02 lakhs) on account of non-charter of a second ship and non-purchase of coastal sea craft, and under 'Administrative Departments' due to the non-purchase of some sea-going vessels (Rs. 12 lakhs) and the non-filling of certain posts. Increase in the next budget is due mainly to

the chartering of a second ship and purchase of coastal sea-craft (Rs. 16 lakhs), purchase of two sea-going vessels (Rs. 14 lakhs) and extra provision for colonisation schemes.

Kutch:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
Direct Demands on Revenue	1,16,97	1,11,94	1,35,12
Irrigation Works met from Revenue	14,79	14,73	18,63
Civil Administration.	13,74	13,25	10,24
Electricity Supply Scheme	70,97	65,71	83,29
Famine relief and miscellaneous expenditure	3,60	3,51	5,71
Community Development Projects and Local Development Works	9,87	9,94	8,48
	4,00	4,80	8,77

Saving in the Revised is mainly due to less expenditure on Civil Administration. Increase in the next year's budget is mainly due to abolition of jagirdari, survey operations, additional staff in the Chief Commissioner's Secretariat to cope with the increased work, more expenditure on Five Year Plan Schemes, increased provision for Community Development Projects, etc.

Manipur:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget 1955-56 Rs.
Direct Demands on Revenue	82,71	78,42	93,34
Irrigation Works met from Revenue	3,92	3,93	5,93
Civil Administration.	2,14	2,14	3,50
Civil Works and Miscellaneous public improvements	42,54	41,73	49,01
Miscellaneous	9,09	7,77	9,80
Community Development Projects and Local Development Works etc.	13,12	10,95	16,26
	11,90	11,90	8,84

Saving in the Revised is mainly due to less procurement of foodgrains and less purchase of tools and plants. Increase in the next year's budget is mainly due to resettlement operations in Manipur Valley, inclusion of provision for Flood Control measures and increased provision for development schemes in the Five Year Plan.

Tripura:

	Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
Direct Demand on Revenue	1,31,97	1,27,31	1,46,23
Irrigation Works met from Revenue	12,92	13,85	15,53
Civil Administration	1,08	19	1,81
Electricity Schemes	89,45	90,96	104,06
Miscellaneous	2,00	2,46	2,57
Community Development Projects and Local Development Works	19,02	14,07	13,25
	7,50	5,77	9,71

Saving in the Revised is mainly due to less expenditure on Fire Service, non-implementation of certain irrigation schemes, etc. Next year's budget includes more provision for schemes in Five Year Plan under Forests, Education, Medical, Public Health, etc. and more provision for Local Development Works and Community Development Projects.

Relations with States:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
58,20	52,56	45,68

Saving in the Revised is mainly due to transfer of Police jurisdiction to Part B States and decrease next year is due to closure of some Regional Organisations and further transfer of Police jurisdiction to Part B States.

Miscellaneous Departments and Expenditure under the Ministry of Home Affairs:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
9,50	19,70	1,83,64

Increase in the Revised Estimates is mainly on account of expenses on the Fire Service (Rs. 2 lakhs) and expenditure on the States Reorganisation Commission, which was not provided for in the current Budget (Rs. 7.8 lakhs). Heavy expenditure in the next year's Budget is mainly due to provision for grants for welfare of backward classes (Rs. 1,60 lakhs) which was being provided for previously under the Demand "Extraordinary Payments" and provision for miscellaneous compensations payable to certain ex-rulers (Rs. 1.27 lakhs), which was appearing previously under the Demand "Miscellaneous Expenditure under the Ministry of States" and creation of a Special Service Wing (Rs. 11 lakhs). No provision exists next year for the Backward Classes Commission and less provision has been made for the States Re-organisation Commission, which is expected to complete its activities in the course of next year.

Ministry of Information and Broadcasting:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,38,92	1,32,16	41,43

Decrease in Revised is mainly due to non-filling of certain posts, non-utilisation of the lump sum provision made for the Integrated Publicity Programme (Rs. 2 lakhs), less expenditure on staff and other items under Film Production (Rs. 4.53 lakhs), partly counterbalanced by increased expenditure on staff and other charges for implementation of the Press Commission's recommendation, grant to Children's Film Society, increase of expenditure under 'Charges in England' for the processing of films, purchase of photo equipment etc., and other miscellaneous items. Heavy, decrease in next budget is mainly because the expenditure on Press information Bureau, Films Division, Central Board of Film Censors, Publications Division, Research and Reference Division and other Miscellaneous Departments has now been provided in a new Demand "Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting".

Broadcasting:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
2,32,17	2,24,55	3,13,35

Increase in Revised Estimate is due mainly to provision made for new transmitters at Bombay, Ahmedabad, and Jullundur Stations, and grants-in-aid to State Governments for providing community listening facilities in the rural areas. Further increase in budget next year is due mainly to provision for installation of new transmitters at Delhi, Madras, Bombay, Bangalore, Lucknow and other places, lump provision for improvement of programmes of A.I.R. (Rs. 10 lakhs) and increased grants-in-aid to State Governments for community listening schemes (Rs. 38 lakhs).

Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
..	..	1,23,99

Expenditure under certain Miscellaneous Departments which were being shown previously under the Demand 'Ministry of Information and Broadcasting' has now been transferred to a separate Demand. Next year's budget includes more provision for the Integrated Publicity Programme and for production of a greater number of films.

Ministry of Irrigation and Power:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
10,58	15,08	11,43

Increase this year is mainly due to additional posts in the Secretariat, expenditure on the Indian Delegation to U.S.A. in connection with the Indus Basin Working Party talks and on the Technical Personnel Committee appointed to assess the requirements of technical personnel for the River Valley Projects.

Budget next year show a decrease on account of non-inclusion of provision for the Indian Delegation.

Multipurpose River Schemes:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
41,71	72,27	1,04,67

Increase in Revised Estimates is mainly due to increased tours in connection with Flood Control Works in Assam, construction of the Labour Welfare Building at Khadakvasala, and printing of general report of the Research Station, Poona. Further increase next year is mainly on account of filling up of posts that remained vacant during this year, increased provision for investigations of Projects for Flood Control and for additional basic experiments to be carried out in the Central Water and Power Research Station.

Miscellaneous Deptts. and Expenditure under the Ministry of Irrigation and Power:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
36,64	41,14	64,71

Increase in the current year is due mainly to the creation of additional posts for the setting up of the Plant and Machinery Directorate, strengthening of the various Directorates of the Central Water and Power Commission (Water Wing), and creation of the Flood Control Wing in the

C.P.W. & C. Further increase next year is due mainly to provision made for the full year for the additional posts created.

Ministry of Labour:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
31,63	30,29	34,30

Saving in the current year is mainly due to certain posts remaining vacant, the partial non-utilisation of provision for the National Productivity Centre and the closing of the publication of 'Mazdoor Jagat'. Increase next year is due to provision for vacant posts, provision for the full year for staff for running the National Productivity Centre and the Training within Industry Scheme, and restoration of the publication of 'Mazdoor Jagat' in a revised form.

Miscellaneous Deptts. and Expenditure under the Ministry of Labour:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
3,24,95	3,14,00	3,40,64

Decrease in the current year is due mainly to partial utilisation of provision for Coal Mines Labour Welfare Measures (Rs. 21 lakhs); and Mica Mines Labour Welfare Measures (Rs. 7 lakhs); partly offset by more transfer to the Coal Mines Labour Welfare Fund on account of more collection of cess (Rs. 17 lakhs) and increase on other miscellaneous items. Increase next year is mainly due to increased expenditure on Coal Mines Labour Welfare measures (Rs. 13 lakhs) and Mica Mines Labour Welfare measures (Rs. 4 lakhs), etc., counterbalanced by less expenditure on Labour Tribunals (Rs. 1 lakh), less transfer of cess to Mica Mines Labour Welfare Fund (Rs. 5 lakhs), etc.

Employment Exchanges and Resettlement:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,29,25	1,21,36	1,74,20

Saving in the current year is mainly due to certain posts remaining unfilled, curtailment of publicity activities pending final decision of the Shiva Rao Committee and less expenditure on the Scheme for the training of audit civilians due to late admission of trainees. Increase next year is mainly due to purchase of equipment for the Inspectional Staff of Training Schemes, increased expenditure on the Scheme for the training of adult civilians, normal increments, and proposed resumption of publicity activities.

Ministry of Law:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,35,04	1,34,19	1,38,52

Decrease in Revised is mainly due to less expenditure on payments to State Governments towards the Central Government's share of the expenditure incurred in connection with the preparation and printing of

electoral rolls and conduct of elections and bye-elections. Increase next year is mainly due to provision made for the Law Commission (Rs. 3·6 lakhs).

Administration of Justice:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
33,02	13,99	12,38

Increase in the Revised Estimates is mainly due to more payments to State Governments for the services of the Law Officers of the States, provision made for the East Punjab Special Tribunal whose term has been extended upto February and provision for additional expenditure under Law Charges on account of cases pending in the House of Lords. Next year's Budget shows a decrease of about Rs. 1 lakh in the expenses of the Supreme Court.

Ministry of Natural Resources and Scientific Research:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
7,98	7,65	9,55

Increase in next year is mainly due to normal increments, creation of additional posts and provision for compilation of the National Atlas of India.

Survey of India:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
1,43,79	1,47,60	1,52,44

Increase in the Revised Estimates is due mainly to extra provision made for work in connection with the Flood Control Surveys, increase in the purchase of stores required for units working in Nepal and increase in the pay and allowances of the additional staff appointed on account of the expansion of the Department. Further increase next year is mainly on account of increased expenditure in connection with surveys undertaken by the survey parties.

Botanical Survey:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
6,93	7,01	12,07

Increase in the Revised is due mainly to more purchase of non-official publications and due to certain increments of pay and additional allowances not taken into account in the original budget. Further expansion and reorganisation of Botanical Survey of India accounts for the increase of expenditure estimated during the next year.

Zoological Survey:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
4,49	4,18	5,17

Saving in the current year is due mainly to the non-filling of certain posts, less expenditure on further expansion and reorganisation of the Survey and non-receipt of certain publications from overseas. Next year's

budget shows an increase on account of additional posts sanctioned in connection with the reorganisation and expansion of the Survey and increased provision for purchase of equipment.

Geological Survey:

Budget, 1954-55 Rs. 56,57	Revised, 1954-55 Rs. 50,49	Budget, 1955-56 Rs. 74,26
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Fall in expenditure in the current year is on account of certain posts remaining vacant due to non-implementation of the Expansion Scheme in full and increase in next budget is mainly due to the provision for the cost of equipment and stores expected to be received under the T.C.A. Programme and the pay and allowances of additional staff required by the Survey for executing additional programme of work in Kashmir, Nepal, Andaman and Nicobar Islands and Sikkim.

Mines:

Budget, 1954-55 Rs. 26,01	Revised, 1954-55 Rs. 33,25	Budget, 1955-56 Rs. 56,32
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Increase in Revised Estimates this year is due mainly to the Expansion Scheme of the Indian Bureau of Mines and undertaking of exploratory work for the Hindustan Iron and Steel Ltd. Increase in the budget next year is due mainly to the provision made for the cost of equipment and stores receivable under the Technical Aid Programme, increased scholarships for the Mining Students, etc., increased expenditure on the work of processing and developing of minerals on behalf of Hindustan Iron and Steel Ltd., and additional provision for the Expansion Scheme.

Scientific Research:

Budget, 1954-55 Rs. 3,21,91	Revised, 1954-55 Rs. 3,26,87	Budget, 1955-56 Rs. 5,18,47
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The important items included in the Demand are given below:—

	(In lakhs of Rs.)		
Grants to the Council of Scientific and Industrial Research . . .	2,02	2,03	2,20
Central Board of Geophysics and Bibliographical Centres . . .	3	4	4
Grants to Scientific Societies and Institutions	26	36	36
Lump sum provision for Research Expenditure	82	82	1,35

The increase in the Revised Estimates is due mainly to more grants-in-aid and donations to Scientific Societies and purchase of more stores from abroad. Further increase next year is on account of additional recurring grant to the Council of Scientific and Industrial Research, setting up of a Plant for the manufacture of synthetic rice, and additional provision for research expenditure.

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Ministry of Production:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
8,41	8,51	10,54

Increase in the Revised Estimate is due mainly to creation of posts in connection with the Russian Steel Mission in India and increase next year is mainly on account of additional posts likely to be created in connection with the new Steel Plant, Fertilizer Project, etc. and increased provision for two full-time Directors for Government Industrial Undertakings.

Salt:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,38,17	1,34,60	1,35,74

Saving in the current year is due to non-filling up of certain posts and fall in production and despatch of salt, partly off-set by increased payments on account of royalties and compensation. Increase in budget next year as compared to the Revised is due to anticipated increase in production of salt and additional royalties payable on account of increase in the price of salt.

Other Organisations under the Ministry of Production:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
1,29,90	1,07,64	1,11,72

Saving in the current year is due to less payment of subsidy to the shipbuilding industries and the non-filling of certain posts, partly off-set by increase of expenditure in respect of the Coal Commissioners Organisation. Budget next year provides for increased subsidy to the shipbuilding industry.

Government Collieries:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
..	4,34,00	4,47,36

This Demand appears for the first time as a result of the transfer of ownership of Government Collieries from the Ministry of Railways to the Ministry of Production. A Supplementary Grant of Rs. 4,36 lakhs was taken in September, 1954 to provide for expenditure during the current year on the civil side. Increase in budget next year is mainly accounted for by increase in the out-put of coal.

Miscellaneous Departments and Expenditure under the Ministry of Production:

Budget, 1954-55 Rs.	Revised, 1954-55 Rs.	Budget, 1955-56 Rs.
2,02,99	1,11,39	98,14

Saving in the current year is mainly due to non-utilization of the provision for the Coal Board and less provision for transfer to Coal Production Fund. Further decrease next year is mainly due to less provision

for payment of proceeds of excise duty to the Coal Board and non-inclusion of provision during the next year for Fertilizer Production Committee, partly off-set by larger provision for transfer to the Coal Production Fund.

Ministry of Rehabilitation:

Budget, 1954-55 Rs. 20,10	Revised, 1954-55 Rs. 21,21	Budget, 1955-56 Rs. 25,65
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The increase in the Revised Estimates is due to creation of additional posts, more expenditure on leave salary than anticipated, and additional expenditure on account of the transfer of the headquarters of the Minister to Calcutta. Increase in the budget estimates 1955-56 is mainly due to the creation of additional posts in the Branch Secretariat, and provision for the new Pay and Accounts office.

Expenditure on Displaced Persons:

Budget, 1954-55 Rs. 10,23,51	Revised, 1954-55 Rs. 11,13,22	Budget, 1955-56 Rs. 10,36,78
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Increase in the current year is due mainly to additional expenditure on displaced persons from East Pakistan and expenditure on displaced persons from Jammu and Kashmir, which was previously accounted for by the Ministry of States under the head "Aid to Kashmir". Next year's budget shows a fall on account of less expenditure on relief operations following the dispersal of displaced persons from camps and homes in the Eastern Regions and dispersal of West Pakistan displaced persons in homes after payment of compensation, less expenditure relating to the Custodian of the Evacuee Property and reduction in expenditure on Rehabilitation schemes in the various States; partly off-set by additional provision made for the Chief Settlement Commissioner's Organisation to accelerate payment of compensation to displaced persons and the annual write-back to revenue of compensation payments debited to capital.

Ministry of Transport:

Budget 1954-55 Rs. 40,05	Revised 1954-55 Rs. 38,71	Budget, 1955-56 Rs. 44,71
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The decrease in the Revised Estimates is mainly on account of less expenditure on some tourist offices and non-filling of certain posts. Increase in Budget Estimates next year is mainly on account of the opening of new tourist offices at several places abroad and more provision for development and promotion of tourist publicity (Rs. 2·15 lakhs).

Ports & Pilotage:

Budget, 1954-55 Rs. 62,39	Revised, 1954-55 Rs. 65,05	Budget, 1955-56 Rs. 68,65
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The increase in the Revised Estimates is mainly on account of the setting up of a separate office of Ship Survey Department at Cochin, expenditure in connection with the construction of the Park Circus Hostel building at Calcutta, setting up of additional training establishments for Ratings at Navlakhi in Saurashtra, purchase of additional equipment and

stores for training Institutions, etc. Increase next year is mainly on account of provision for additional posts and posts remaining vacant during this year, provision on account of contribution for the Indian Seamen's Hostel at Madras, increased provision for carrying out certain major repairs to the training ship "Dufferin", etc.

Lighthouses and Lightships:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
79,89	61,96	81,53

Fall in expenditure this year is due mainly to vacancies in certain posts, delay in the creation of a separate office of the Superintendent of Lighthouses, Calcutta, for which provision had been made in the original budget, and non-execution of certain works due to non-availability of equipment and technical staff. Next year's budget makes more provision in respect of maintenance of lighthouse tenders, and motor boats and execution of more works.

Central Road Fund:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
4,62,52	4,67,50	4,60,48

This Demand accommodates provision for transfer to the Central Road Fund of its share of Customs and Excise Duties on Motor spirit at the rate of 2½ annas a gallon. Provision is also included here for the Central expenditure financed from the Fund. Subventions to States for road developments are, however, paid direct from this Fund. A sum of Rs. 4,50 lakhs has been provided next year as block grant for transfer to the Fund.

Miscellaneous Expenditure under the Ministry of Transport:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
6,57	4,08	35,21

The decrease in the Revised Estimate is due mainly to the fact that the provision of Rs. 2 lakhs included in the original budget for contribution to the South India Water Transport Boards, could not be utilised as no such Boards have yet been constituted. Increase in next budget is mainly on account of more subsidies to States for improving amenities at important touring centres and expenditure on equipments needed for the Pilot Demonstration Project at Ganga-Brahmaputra System of Rivers.

Communications (including National Highways):

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
4,88,85	5,24,25	5,06,52

The increase in the revised estimates is due mainly to the decision to assume liability for the maintenance and repairs of national highways in Mysore, and the Pathankot-Jammu-Srinagar-Uri Road and increased expenditure on repairs of national highways in West Bengal, Bihar, Assam, etc. damaged by floods during this year.

Next year's budget assumes less expenditure on flood damaged repair works and less grants-in-aid and contributions, but provides for more expenditure on roads, other than National Highways.

Ministry of Works, Housing and Supply:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
17,42	16,67	41,62

The decrease in the Revised Estimate is mainly due to the fact that payment of rent due to Railway Department in connection with the Housing Exhibition is not likely to be paid in the current year and also due to less provision for the Chief Technical Examiner's Organisation which had not been created upto the end of January, 1955. Increase in the next year is mainly on account of full provision made for whole of the year in respect of additional posts created in the current year and provision for the new Chief Pay and Accounts office following the decision to separate Audit from Accounts.

Supplies:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
2,97,03	2,40,24	2,80,05

Decrease this year is mainly due to non-settlement of claims of the derequisitioned jute mills, non-execution of certain orders in the Government Test House and the non-filling of certain posts. Next year's budget provides for additional posts and payment of claims relating to the derequisitioned jute mills.

Other Civil Works:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
15,48,98	15,37,03	18 90,02

Less expenditure during the current year is mainly due to the non-execution of certain works which have not been sanctioned and reduction in expenditure on Municipal Services, New Delhi. Next year's budget provides for the execution of certain major works, creation of additional circles and divisions to cope with the increased works programme and includes a lump provision of Rs. 10 lakhs for staff for development works.

Stationery and Printing:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
5,27,27	5,85,63	6,72,7

Increase in expenditure during this year is mainly on account of additional staff for the Central Stationery Office, Calcutta, more purchases of stationery stores consequent to the expanding activities of Government, payment of arrears of Customs Duty and more expenditure on stores imported from abroad, partly off-set by savings on account of non-filling of certain posts. Increase in budget estimates next year is due mainly to

provision for the cost of materials and equipment expected to be received under the T.C.A. Programme (Rs. 1,00 lakhs), partly off-set by less purchase of stationery stores from home and abroad.

Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
55.56	48.26	70.92

Less expenditure during the current year is accounted for mainly by the delay in setting up of the National Buildings Organisation, less expenditure in connection with German Reparations; partly off-set by increased expenditure on rent, rates and taxes on account of more consumption of water and electricity and provision for the Pilot Scheme for the Training of Brick layers and Building contractors in New Delhi, sanctioned during the course of this year. Next year's budget provides for full year's requirement for the National Buildings Organisation and the Pilot Scheme, more payment of rent, rates and taxes and write-back of 1/15th of the expenditure on Grants for industrial housing debited to Capital during 1954-55, partly off-set by less expenditure in connection with the German Reparations.

Parliament:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
1,03.43	99.87	1,17.53

The details are :

Lok Sabha	58.86	55.51	61.53
Lok Sabha Secretariat	17.85	18.18	22.57
Rajya Sabha	18.82	18.79	24.15
Rajya Sabha Secretariat	7.60	7.09	8.98
Charges in England	30	30	30

Saving in the current year is mainly on account of less expenditure on daily allowances than anticipated, reduction in travelling allowances due to abolition of 1st class in Railways, reduction in the rates of daily and travelling allowances on the passing of the Salaries and Allowances of Members of Parliament Act, 1954, slow progress in the work of translation, calligraphy and printing of the Constitution in regional languages, partly off-set by increase due to additional posts created in the Lok Sabha Secretariat. Next year's budget includes provision for payments to Railways against Railway passes given to the members, purchase of more books and publications for the Parliament Library, provision of paintings and statues in Parliament House, completion of residual work of translation, etc. of the Constitution in the Regional languages and additional staff in the Lok Sabha and Rajya Sabha Secretariats.

Union Public Service Commission:

Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Rs.	Rs.	Rs.
22.22	26.23	27.09

More expenditure during the current year is on account of the creation of additional posts and increase in the number of examinations held by the Commission. Next year's Budget takes into account the increase in the number of candidates called for interview, increase in the number of examinations held, etc.

EXPLANATORY MEMORANDUM: GENERAL BUDGET
STATEMENT IX

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Provision for Development Expenditure

DEMAND	PARTICULARS	(In thousands of Rupees)
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(A) REVENUE BUDGET

		Amount
Industries	Silk Industry	35,00
	Indian Standards Institution	7,00
	Small Scale Industries	1,00,00
	Development of Handloom Industries	1,75,00
	Development of Khadi Industries	2,50,00
	Village Industries	1,50,00
	Handicrafts	45,00
	National Industrial Development Corporation	10,00
Overseas Service	Communication Development Schemes	16,30
Aviation	Development Schemes	49,53
Miscellaneous Expenditure under the Ministry of Communications.	Wireless Planning & Co-ordination	7,93
Other Scientific Departments.	Grants and donations to Engineering and Technological Institutions.	10,34
	Practical Training Stipends	11,88
	Research Training Scholarships	12,00
	Grants to non-University Institutions for development of Scientific and Technical Education and Research	2,00,00
	Indian Institute of Science, Bangalore	26,93
Education	Implementation of Schemes of Basic, Secondary and Social Education	10,00,00
	Grants to Public Schools in India	2,00
	Provision for Merit Scholarships in Public Schools and Research Scholarships in Humanities	6,85
	Provision for the Indian Institute of Technology, Kharagpur	1,01,31
	Provision for Labour & Social Service Camps	50,00
	Provision for Bal Bhavan, Delhi	2,50
	Grant-in-aid to the University Grants Commission for disbursement to Universities	3,50,00
Miscellaneous Departments & Expenditure under the Ministry of Education.	Grant-in-aid to the Central Social Welfare Board and other Voluntary Social Welfare Organisations	2,25,00
Tribal Areas	Schemes for the Economic Development of Tribal Areas	75,12
Ministry of Finance	Multi-purpose National Sample Survey	74,67
Miscellaneous Departments and Expenditure under the Ministry of Finance.	Community Project Administration	12,67,88
	Programme Evaluation Organisation	6,73
	Assistance for Natural Calamities and Scarcity affected areas	3,00,00
	Grant to the Indian Statistical Institute	14,51
Grants - aid to States	Grants to States for the welfare of Scheduled Tribes and development of Scheduled areas under the provisos to Art. 275(I) of the Constitution	4,37 00
	Special grants to Part C States for the Welfare of Scheduled Tribes and Development of Scheduled Areas	24,00
Forest	Setting up of National Parks in the country	4,30
	Soil conservation Research Schemes and Demonstration Centres	52,30
	Desert Afforestation Research Station, Jodhpur	4,20

(In thousands of Rupees)

DEMAND	PARTICULARS	Amount
Agriculture	Scheme for Jute Development	17,07
	Resettlement of landless workers through the establishment of Central Mechanised Farms	38,58
	Grow More Food Schemes	4,10,00
	Training Scheme for Tractor Operators	1,68
	Cotton Cultivation Schemes	25,80
	Development of Cane and Sugar Industry	12,48
	Fisheries Development Project	1,99,74
	Ground-water Exploration Project	2,43,70
	Nilokheri Training Centre	2,62
	Fumigation and Grading of certain Agricultural Commodities before export	25,28
	Soil Survey Schemes	16,88
	Establishment of a Museum at the Indian Agricultural Research Institute	2,32
	Provision for Horticulture Section	65
	Scheme for testing tractors	1,45
	Scheme for improvement of land records and agricultural statistics	16,00
	Grant to the Indian Council of Agricultural Research	26,37
	Grants to State Government for —	
	Higher Agricultural Education	33,20
	Rinderpest Scheme	3,52
	Gosadan Scheme	8,00
	Key Village Scheme	39,00
	Dairy Schemes	27,00
Civil Veterinary Services	Grants to Veterinary Colleges	30,00
Miscellaneous Departments and Expenditure under the Ministry of Food & Agriculture.	Scheme for conducting Research on Agro-economic problems	1,80
	Basic Agricultural Schools	51,22
	Grants to States for Re-settlement of Landless Workers	49,00
	Co-operative Training and Experiments	20,00
	Training of Village Level and Group Level Workers	67,05
	Multilith equipment and Photographic material under T.C.A. Programme	5,35
Medical Services	Grants to :—	
	Lady Reading Health School	1,64
	State Govts. for the establishment of Departments of Social and Preventive medicines in certain Medical Colleges	5,25
	Research into systems of medicines other than modern medicine	24,67
	Post Graduate Training Centre in Ayurveda, Jamnagar	1,50
	Lady Hardinge Medical College, New Delhi	19,50
	Vallabhbhai Patel Chest (T. B.) Institute, Delhi University	2,94
	Contribution to State Govts. for upgrading of certain Departments in Medical Institutions	8,02
	Establishment of All-India Medical Institute in Delhi	42,68
	Indian Cancer Research Centre and the Tata Memorial Hospital, Bombay	2,85
	Taking over and re-organisation of the Mental Hospital Ranchi	12,28
	All India Mental Health Institute, Bangalore	1,04
	Taking over of Willingdon Hospital & Nursing Home, New Delhi	4,99
	Employment of Occupational Therapy Workers in Medical Colleges and Hospitals in India	1,50
	Establishment of Special Diet Kitchens in Teaching Hospitals	1,18
	Employment of medico-social workers in the various Medical Colleges in India	70

DEMAND	PARTICULARS	(In thousands of Rs per
Public Health		Amount
Leprosy Teaching and Research Institute, Madras		11,50
Tuberculosis Centre, New Delhi		2,23
Child Health Care Training Centre, Calcutta		10,00
Provision for Family Planning		33,65
Health Survey in Community Projects		50
Venereal Diseases Control Scheme		1,18
Schemes for the training of Health personnel for Community Projects and National Extension Service		2,13
Child Welfare Centres in the States		30,00
B.C.G. Programme (Central Organisation)		3,50
National Malaria Control Scheme		2,46,84
National Filaria Control Scheme		25,29
Scheme for Control of Leprosy		20,00
Shifting of Nutrition Research Laboratory from Co- noor to Hyderabad		9,47
T.B. Hospital, Mchrauli		8,30
T.B. Sanatorium and Thoracic Surgery Unit at Madanapali		1,71
Establishment of Training Centres for Public Health staff for Community Projects		82
Establishment of Central Food Laboratory		1,00
Grants to T.B., Leprosy and other Voluntary Insti- tutions		30,00
Equipment for four T.B. Centres		8,00
B.C.G. Vaccine Laboratory, Guindy		1,17
Central Health Education Bureau		1,00
Equipment for Medical Colleges and Research Insti- tutions		61,00
Census		19,00
Miscellaneous Departments and Expenditure under the Ministry of Home Affairs.	Scheme for the improvement of population data	1,60,00
Andaman and Nicobar Islands	Relief for sufferers from Japanese occupation 5-Year Development and Colonisation Scheme	2,34 14,00
Ministry of Information & Broadcasting.	Publicity through posters and folders, production and distribution of documentaries, instructional and educational films, pamphlets, booklets, etc.	54,28
Broadcasting	Development Schemes	39,33
Multi-purpose Schemes.	River Expenditure in connection with investigation on Multi- purpose River Schemes	91,47
Employment Exchanges and Re-settlement	Scheme for the Training of Adult Craftsmen	61,62
Survey of India	Expansion and Reorganisation of Survey of India	1,52,44
Botanical Survey	Expansion and Re-organisation of the Botanical Survey of India	12,07
Zoological Survey	Expansion and Re-organisation of the Zoological Survey of India	72
Geological Survey	Expansion and Re-organisation of the Geological Survey of India	12,04
Mines	Expansion of the Indian Bureau of Mines	27,11

(In thousands of Rupees)

DEMAND	PARTICULARS	Amount
Scientific Research . . .	Grants to Scientific Societies & Institutes . . .	36,06
Other Organisations under the Ministry of Production.	Subsidy to Ship building Industry . . .	60,00
Kutch . . .	Survey and Mapping of Forests T.B. Sanatorium at Bharatpur Anti-Malaria measures National Malaria Control Scheme Propaganda, Publicity and Health Education Agricultural Farms and Schemes Development of Fisheries Co-operative Training Scheme Schemes for Welfare of Scheduled Tribes Schemes for Welfare of Backward Classes Provision for Community Development Projects, Local Development Works and N.E.S. Blocks Rural Development Schemes Electricity Schemes	42 1,85 1,02 81 33 2,70 1,70 85 2,50 63 8,02 1,80 2,08
Manipur . . .	Forest Development Scheme Medical Development Schemes Malaria Centres and Malaria Control Scheme Village Water Supply Scheme Cattle Development Schemes Agricultural Farms and Development Schemes Co-operative Training Scheme Development of large and small scale industries Expansion of Transport Service Welfare of Scheduled Tribes Community Projects, Local Works and N.E.S. Blocks	1,19 2,99 2,50 2,15 81 72 1,01 87 2,93 14,50 8,09
Tripura . . .	Forest Development Schemes Hospitals, Dispensaries and Public Health and Sanitation Programme Malaria Control Scheme under the T. C. A. Programme Scheme for Development of Fisheries Sinking of Tubewells Agricultural Development Schemes Development of Cottage Industries Welfare of Scheduled Tribes Community Development Projects, Local Works and N.E.S. Blocks	3,17 7,15 1,62 3,97 1,59 4,47 2,56 7,00 8,96
Ports and Pilotage . . .	Nautical Engineering College Marine Engineering Scheme Ratings Training Scheme	4,41 7,85 8,75
Lighthouses and Lightships . . .	Improvement and Development of Lighthouses and Lightships	50,00
Communications (including National Highways).	Construction and Maintenance of National Highways and other Roads	5,06,52
Miscellaneous Expenditure under the Ministry of Transport.	Development of Inland Water Transport	31,00
	TOTAL	86,40,19

DEMAND

PARTICULARS

(B) CAPITAL BUDGET

		Amount
Capital Outlay on Indian Posts and Telegraphs (not met from revenue)	Telephone Development Schemes	12,00,00
Capital Outlay on Civil Aviation.	Aviation Works, Equipment etc.	5,35,10
Other Capital Outlay of the Ministry of Communications.	Overseas Communication Service Air Corporations	45,00 5,60,68
Other Capital Outlay of the Ministry of Finance	Local Development Works Development Grants to Part B States T.C.N. Equipment for Community Projects Material and equipment under the T. C. A. Programme and Colombo Plan	5,97,10 2,70,00 2,77,62 26,74,33
Loans and Advances by the Central Government	Loans to States including loans for Grow More Food Loans to Port Trusts Other Loans	2,85,25,95 8,16,10 34,82,85
Capital Outlay on Forests	Development of Forest Research Institute and Colleges Development of Andaman Forests	27,00 16,97
Purchase of Foodgrains	Construction of Storage Godowns under the Scheme of "Purchase of Foodgrains"	8,92,46
Other Capital Outlay of the Ministry of Food and Agriculture	Construction of Sugarcane Research Institute and Laboratories Grow More Food Schemes in Part C States Construction of Central Control and Subsidiary Laboratories Expansion of the Indian Agricultural Research Institute Development of Marine Fisheries Land Reclamation Scheme Schemes under T. C. A., Colombo Plan and Indo-Norwegian Programme	33,00 10,00 10,44 24,27 33,20 1,72,00 7,38,35
Capital Outlay of the Ministry of Health.	National Water Supply and Sanitation Scheme Equipment for Medical Colleges and Research Institutions	45,00 61,00
Capital Outlay of the Ministry of Home Affairs.	Nationalisation of Agartala Electric Supply in Tripura Preliminary Hydro-electric investigation in Manipur Irrigation Development Works in Kutch Electricity Schemes in Kutch	4,83 3,48 22,93 28,50
Capital Outlay on Broadcasting.	Broadcasting	4,26,63
Capital Outlay on Multi-purpose River Scheme	Land and Buildings for C.U.W.P.R. Station	6,83

DEMAND	PARTICULARS	Amount
(B) CAPITAL BUDGET		(In thousands of Rupees)
Capital Outlay of the Ministry of Labour.	Buildings and equipment for technical and vocational Training Centres	19,15
Other Capital Outlay of the Ministry of Natural Resources and Scientific Research.	Grant to the Council of Scientific and Industrial Research	79,00
	Investment in the share capital of the National Research Development Corporation	5,00
	Material and equipment for the Survey of India through Indo-U.S. Technical Co-operation Scheme	7,26
	Equipment for the Indian Bureau of Mines under the T.C.A.	16,10
Capital Outlay of the Ministry of Production	Capital Outlay on Salt Works	10,00
	D.D.T. Factory	3,00
	Purchase of shares in—Hindustan Shipyard Ltd.	83,78
	Purchase of shares in—Hindustan Insecticides Ltd.	22,00
	Purchase of shares in—Hindustan Cables Ltd.	7,00
	Purchase of shares in—Hindustan Steel Ltd.	5,00,00
	Purchase of shares in—Hindustan Antibiotics Ltd.	46,47
	National Instruments Factory	38,26
	Heavy Electrical Equipment Factory	15,00
	Additional Fertilizer Factories	20,00
	Government Collieries	1,82,88
Capital Outlay on Ports	Capital Outlay on Kandla Port	4,00,00
	Development of the Township of Gandhidham	77,00
Capital Outlay on Roads	National Highways and other Roads	16,30,00
Other Capital Outlay of the Ministry of Transport	Investment in Shipping Corporations	37,00
	Purchase of Tankers	1,00,00
New Delhi Capital Outlay	Civil Works Programme	6,86,03
Capital Outlay on Buildings.	Buildings	8,96,02
	TOTAL	4,64,22,56

tuals, 53-54	Radios			Total			
	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56	Actuals, 1953-54	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
5,30	4,15	4,10	4,10	27,97,58	28,83,05	28,81,69	29,89,30
5,14	4,20	4,56	4,52	16,18,98	16,82,95	17,11,31	17,82,70
10,14	8,35	8,66	8,62	44,16,56	45,66,00	45,93,00	47,72,00
2 14	4,85	4,16	4,65	2,23,05	2,57,52	2,46,05	2,45,59
1,11	1,36	1,24	1,31	1,06,49	1,15,78	1,16,84	1,22,52
	58	59	61	96,76	1,04,67	1,01,97	1,10,87
4,82	5,51	5,14	6,09	1,50,30	1,65,44	1,62,11	1,78,23
1,29	1,42	1,26	1,28	1,90,45	2,01,87	2,12,53	2,17,23
,44	1,12	1,19	1,30	2,35,57	2,02,94	2,20,27	2,24,54
00	5,42	4,91	4,88	2,51,63	2,58,29	2,63,29	2,72,40
	..	..	..	23,65,46	25,15,14	25,09,71	26,37,98
	..	..	..	2,11,75	2,17,20	2,23,26	2,29,54
14	12,43	11,85	13,15	11,04	12,43	11,85	13,15
1	..	..	..	3,57,45	4,01,44	3,96,22	4,42,15
0	1,00	1,00	1,00	1,00,00	1,25,00	1,25,00	1,35,00
.	..	..	..	76,03	60,00	45,00	40,00
(-5)	(-)14,33	(-)12,75	(-)12,79	..	..	..	..
1	19,36	18,59	21,48	43,75,98	46,37,39	46,34,43	48,69,20
(3)	(-)1,68	(-)1,70	(-)259	-3,69,66	(-)4,18,60	(-)3,78,12	(-)4,04,19
1	17,68	16,89	18,89	40,06,32	42,18,79	42,56,31	44,65,01
2	3,19	3,24	4,18	1,70,00	1,97,21	1,96,69	2,36,99
56	20,87	20,13	23,07	41,76,32	44,16,00	44,52,00	47,02,00
(-2)	(-)12,52	(-)11,47	(-)14,45	(+)2,40,24	(+)1,50,00	(+)1,40,00	(+)70,00

SECTION II

CAPITAL RECEIPTS AND DISBURSEMENTS

SECTION II

CAPITAL BUDGET

Introductory Notes

This Section explains the estimates of the Receipts and Disbursements on Capital Account of the Central Government. These cover receipts and payments on capital schemes financed by the Central Government, borrowings from the home market or abroad, in the form of regular loans and treasury bills, borrowings from the Reserve Bank by way of ways and means advances, and Small Savings which comprise the Postal Savings Bank, the Cash and Savings Certificates issued through Post Offices, Treasury Savings Deposits, etc. They also cover a variety of other items such as State Provident Funds, special deposits like income tax and excess profits tax deposits, depreciation and reserve funds of Government and departments like Railways and Posts and Telegraphs, special *ad hoc* funds created from time to time by Government and so on. It is difficult, in the compass of a brief note, to indicate fully the scope and variety of these miscellaneous items but details of these are given in Part C of the Budget Statement.

The capital requirements of Government are ordinarily met from four sources. Firstly, regular loans are floated and, in the case of short term requirements, treasury bills are issued, ordinarily for a period of three months at a time. Secondly, there is the flow of money through Postal Savings Bank and Cash and Savings Certificates. Thirdly, there are the receipts into the various depreciation, reserve and other funds, and under the deposit heads. Further, any sum provided in the revenue budget for reduction or avoidance of debt or for debt redemption is also available, as it is transferred to capital by debit to the revenue budget. To the extent to which the net receipt from these sources is insufficient to meet the capital requirements the deficit has to be made good from revenue, the accumulated cash balances, and if neither is available, by the sale of *ad hoc* treasury bills to the Reserve Bank. Conversely any surplus of capital receipts over disbursements is available for covering a revenue deficit or for augmenting the cash balances of Government.

The statement on the following two pages summarises the capital transactions included in the budget for the current and ensuing years and indicates the sources from which capital requirements will be met.

**EXPLANATORY MEMORANDUM: GENERAL BUDGET
SUMMARY OF CAPITAL**

	RECEIPTS			
	Account, 1953-54	Budget 1954-55	Revised, 1954-55	Budget, 1955-56
Sale proceeds of American & L/L Surplus . . . . .	..	..	..	36
New Loans	76,83	78,28	1,60,40	1,41,13
15-year Annuity Certificates . . . . .	..	..	56	76
Inter-State Debt Settlement—India and Burma . . . . .	..	..	10,92	4,68
Net receipts from : Treasury Bills	19,66	2,50,00	2,20,00	3,40,00
Treasury Deposit Receipts and other Floating Loans	—30	..	—12	..
Treasury Savings Deposits Certificates	6,38	7,50	5,00	5,00
Post Office Savings Bank	14,24	13,50	20,50	21,00
Post Office Cash Certificates	—2,51	—2,07	—2,04	—1,30
National Savings Certificates	20,29	26,50	19,12	20,00
Defence Savings Certificates	—59	—20	—14	—10
National Plan Certificates . . . . .	..	..	7,00	7,00
Other Unfunded Debt	15,14	15,39	15,84	17,00
Railway Depreciation Fund Revenue Reserve Fund (Railways)	—2,80	{ —9,70 1,18	—10,11 1,19	—3,37 8,51
Railway Development Fund	—6,51	—4,95	—5,00	—12,01
Telephone Development Fund	47	—15	—30	—25
P. & T. Renewals Reserve Fund	—14	—20	15	35
Other Miscellaneous Reserve Funds	—13	—27	—1	—64
Appropriation for Reduction or Avoidance of Debt	5,00	5,00	5,00	5,00
E. P. T. and Income-Tax Deposits (Net)	—14,95	—4,25	—2,55	—1,33
Discount Sinking Fund (Net)	70	1,04	—1,37	1,16
Payment by Reserve Bank for Rupee Coin	4,95	5,00	5,00	5,00
Repayment of Loans by States	13,21	20,90	24,05	24,92
Other Loan Repayments	5,69	2,74	7,60	6,13
Other Deposits and Advances (Net)	<u>58,51</u>	<u>27,71</u>	<u>20,53</u>	<u>73,90</u>
TOTAL	<u>2,13,14</u>	<u>4,32,95</u>	<u>5,01,22</u>	<u>6,62,90</u>
Deficit on Capital Account	<u>69,79</u>	<u>..</u>	<u>..</u>	<u>..</u>
	<u>2,82,93</u>	<u>4,32,95</u>	<u>5,01,22</u>	<u>6,62,90</u>

TRANSACTIONS

DISBURSEMENTS

(In lakhs of Rupees)

	Account, 1953-54	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Capital Outlay :				
Railways	11,85	33.93	32.49	66.09
Irrigation	28	25	25	23
Posts & Telegraphs	7,66	11.49	11.45	11.85
Industrial Development	5.07	24.10	15.04	16.42
Aviation	1,37	3.34	2.87	5.28
Broadcasting	32	1.24	1.12	2.00
Ports	1,47	5.31	3.60	5.29
Mint	28	72	57	50
New Capital at Delhi	48	6.07	5.49	6.86
Multi-purpose River Schemes	3,98	3.94	3.92	4.30
Electricity Schemes	11	76	28	38
Civil Works	12.90	25.05	15.68	10.26
Commutation of Pensions	8	26	10	1
Sterling Pensions	—7.16	—7.05	—7.05	—6.95
Defence Capital Outlay	10.16	17.75	13.09	22.38
Schemes of Government Trading	—25.43	—3.11	58.48	29.00
Development Grants . . . . .	..	16.00	12.52	18.31
Displaced Persons . . . . .	..	4.00	7.65	20.99
Shipping Tankers, etc. . . . .	..	..	..	1,00
Other Civil Heads	76	1.70	1.00	9.10
Discharge of Permanent Debt	1,15.38	53.02	48.31	73.05
Inter-State Debt Settlement :				
India and Travancore-Cochin . . . . .	..	..	1.10	..
India and Mysore . . . . .	..	..	..	45
Advances to State Governments	1,24.03	1,78.79	2,20.27	2,79.29
Other Loans and Advances	19.34	29.06	35.83	56.36
TOTAL	2,82.93	4,06.62	4,84.06	6,32.45
Surplus on Capital Account . . . . .	..	26.33	17.16	30.45
	2,82.93	4,32.95	5,01.22	6,62.9

NOTES ON CAPITAL TRANSACTIONS

Sale proceeds of American and Lend-lease Surpluses.—Credit is taken under this head for the anticipated recoveries which depend upon the progress of disposals. The budget of Rs. 36 lakhs has been assumed on anticipated sale proceeds of Rs. 50 lakhs less the adjustment in respect of expenditure for U.S.A. Surplus Stores Organisation, rent for jute mills, audit fee and proportionate expenditure on establishment charges of certain regional organisations.

New Loans.—The current year's budget took credit for Rs. 75 crores on account of new loan and Rs. 3·28 crores as receipt from dollar loans from the International Bank for Reconstruction and Development. The revised estimates have been estimated at Rs. 160·4 crores which comprise Rs. 158·1 crores on account of the 3½ per cent. National Plan Loan, 1964, floated during the year, Rs. 2·28 crores as the dollar loans from the International Bank for Reconstruction and Development (Rs. ·85 crores for the Bokaro Project and Rs. 1·43 crores for the second D.V.C. Loan) and Rs. ·02 crore on account of creation of Rupee counter-parts of the 3½ per cent. Loan, 1954—59 (Sterling portion), since discharged on 15th December 1954.

The next budget assumes a new market loan of Rs. 125 crores, Rs. 2·13 crores from the International Bank for Reconstruction and Development (Rs. ·31 crores for Bokaro and Rs. 1·82 crores for second D.V.C. loan) and Rs. 14 crores from the U.S. Government for purchase of cotton and wheat.

15-Year Annuity Certificates.—To serve the needs of those who would wish to secure a regular monthly income against a lump sum investment, 15-year Annuity Certificates were introduced with effect from 1st July 1954. An initial investment of Rs. 3,500, Rs. 7,000, Rs. 14,000, or Rs. 28,000 secures for the depositor a monthly payment, free of income-tax, of Rs. 25, Rs. 50, Rs. 100 or Rs. 200 respectively for a period of 15 years, commencing after the expiry of one calendar month from the date of payment of the purchase price. Sales of these Certificates have been estimated at Rs. 56 lakhs for the current year and Rs. 76 lakhs for the next budget.

Inter-State Debt Settlement—India & Burma.—A new section of Accounts, "Inter-State Debt Settlement", has been introduced during the current year, after consultation with the Comptroller & Auditor General of India, for recording the transactions on account of Inter-State debt transactions such as recoveries from Burma, Pakistan etc. Under the Agreement arrived at with the Government of Burma for the settlement of her separation debt to India, the Government of Burma have agreed to pay out of the amount payable to them for the purchase of 9 lakh tons of rice, a sum equal to £13 per ton. A credit of Rs. 10·92 crores has been taken under this head during the current year for 6·3 lakh tons of rice to be imported this year and, for the balance of 2·7 lakh tons, the Budget assumes a credit of Rs. 4·68 crores.

Treasury Bills.—The net expansion of treasury bills in the current year is now estimated at Rs. 2,20 crores against Rs. 2,50 crores taken in the budget. For next year, a net expansion of Rs. 3,40 crores has been assumed, the increase being mainly due to the speeding up of the development schemes in the closing period of the first Five Year Plan.

On the basis of these estimates, the outstanding balances on Treasury Bills on 31st March 1955 and 31st March 1956 will amount to Rs. 5,54·95 crores and Rs. 8,94·95 crores respectively.

Treasury Savings Deposit Certificate.—The 10-year Treasury Savings Deposits Scheme was introduced with effect from the 1st February, 1951. Under this Scheme deposits in multiples of Rs. 100 are accepted at the offices of the Reserve Bank of India, branches of the Imperial Bank of India conducting Government treasury business and district treasuries and sub-treasuries. These deposits, individual holdings in which are limited to Rs. 25,000, run for ten years and carry interest at 3½ per cent., free of income-tax, interest being paid annually. The depositors have an option of withdrawing the deposits before maturity on refunding a part of the interest drawn by them. Current budget assumed a figure of Rs. 7·5 crores as the net receipts on account of these Certificates, but on the trend of actuals the net collections are now estimated at Rs. 5 crores. Next budget has also been taken at Rs. 5 crores net.

Post Office Savings Bank Deposits.—The actuals for the first ten months of the current year show a net credit of Rs. 13·37 crores against Rs. 7·95 crores in the corresponding period last year. On the basis of the trend of actuals, the total net realisations, including about Rs. 4·46 crores for adjustment of interest, have been taken at Rs. 20·5 crores in the revised estimates. Allowing for a slight improvement, budget next year assumes a net credit of Rs. 21 crores.

Post Office Cash Certificates.—With the issue of National Savings Certificates in 1943, Postal Cash Certificates ceased to attract investment. Their issue was, therefore, discontinued with effect from the 15th June 1947. The total discharges this year and the next year are estimated at Rs. 2·04 crores and Rs. 1·3 crores respectively.

National Savings Certificates.—Budget this year provided a net receipt of Rs. 26·5 crores but due to the parallel attraction of the National Plan Certificates introduced this year, the realisations under National Savings Certificates will be less. On the basis of the actuals for the first 10 months of the current year, the revised estimate has been taken at a net credit of Rs. 19·12 crores and the budget at Rs. 20 crores.

Defence Savings Certificates.—These certificates, which were issued during the last war, were discontinued in October 1943 when National Savings Certificates were introduced. Provision now made is for the gradual discharge of the outstanding certificates.

10-year National Plan Certificates.—These were issued with effect from 10th May 1954 in denominations of Rs. 25 and Rs. 50 to encourage small investors, particularly in the rural areas, who could not subscribe to the National Plan Loan. Two fresh denominations of Rs. 100 and Rs. 500 were introduced with effect from 1st November 1954. These certificates are issued only to individuals and the maximum holding is not to exceed Rs. 1,000 per person or Rs. 2,000 by two persons jointly and give a return of 3·75 per cent. per year, compound interest, free of income-tax. Net receipts during the current and the next year are estimated at Rs. 7 crores each.

Other Unfunded Debt.—The transactions mainly relate to State Provident Funds and provision has been made for the net anticipated credits. Provision next year allows also for the increase in the rate of interest from 3½ per cent. to 3¾ per cent.

Railway Depreciation, Reserve & Development Funds.—Provision has been made for the anticipated transactions, details of which appear in the Railway Budget.

Telephone Development Fund.—In connection with the scheme for advance collection of a part of the telephone rents from those who elect to own their telephones, the lump sum recovered from the subscribers is credited to this fund and is utilised in financing capital expenditure on telephones. The amounts collected are initially credited to revenue and the corresponding payments are treated as expenditure. The appropriations from the fund are taken in reduction of the capital expenditure on Posts and Telegraphs. The credits to the Fund this year are estimated at Rs. 45 lakhs and the withdrawals at Rs. 75 lakhs. Next year Rs. 40 lakhs will be paid into the Fund and Rs. 65 lakhs withdrawn from it.

P. & T. Renewals Reserve Fund.—This Reserve Fund is designed to meet the cost of all replacements and abandoned assets. Current Revised takes a contribution from the Fund of Rs. 1.1 crores. Budget assumes a credit to the Fund of Rs. 1.35 crores and withdrawals of Rs. 1 crore.

Appropriation for Reduction or Avoidance of Debt.—Credit is taken under this head for the usual amount of Rs. 5 crores provided from revenue for the reduction or avoidance of debt.

E.P.T. and Income-tax Deposits (Net).—As against the net payment of Rs. 4.25 crores adopted in the current budget, the transactions this year and next year are expected to result in a net outgo of Rs. 2.55 crores and Rs. 1.3 crores respectively.

Discount Sinking Fund (Net).—When loans are issued, the discount is debited to this head and credit for the face value of the loan taken under 'Permanent Debt'. The discount initially taken to this head is written back to revenue and debited to interest over the period for which the loan is issued. The revised estimate takes into account the payment of Rs. 2.37 crores on account of discount on the new 3½ per cent. National Plan Loan, 1964, floated during the year, partly offset by the recovery of Rs. 1 crore from revenue of discount on the new loan to be floated next year as the terms are settled only at the time of the issue of the loans.

Payment by Reserve Bank for Rupee Coin.—Credit is taken here for payment made by the Reserve Bank under Section 36 of the Reserve Bank Act for rupee coin taken by it from Government.

Re-payment of loans by States and Other loan repayments.—The principal portion of all repayments is taken here and interest receipts are taken in reduction of expenditure under interest is the case of States and as revenue under 'XX-Interest' in other cases.

Other Deposits and Advances (Net).—The fall in the Revised estimate is mainly due to smaller credits to the Special Development Fund than anticipated on account of decrease in foreign aid received, partly offset by the credit realised in respect of the Government holdings of 2½ per cent. Loan, 1954, discharged this year. The large increased in the Budget is due mainly to anticipated sale proceeds of evacuee property and the increase in foreign aid, during that year.

DISBURSEMENTS

NOTE.—The explanations below relate to the figures by Major Heads given in the summary of capital transactions and will not, therefore, agree with those shown in the individual Demands. This is due to two factors. Firstly, in most cases, the same Major Head would appear in more than one Demand and secondly, while recoveries are taken, in the accounts, in reduction of expenditure, the figures in the Demands are for gross expenditure excluding recoveries.

Railways.—Details appear in Railway Budget.

Irrigation.—Revised provides Rs. 20 lakhs for certain irrigation works in Kutch and Rs. 4.78 lakhs in Himachal Pradesh. Budget includes Rs. 23 lakhs for Kutch. As a result of the amendment of Part 'C' States Act 1951, provision for Himachal Pradesh will now appear in the State Budget.

Posts and Telegraphs.—The distribution of expenditure is given below:—

(In Lakhs of Rupees)

	Budget 1954-55	Revised 1954-55	Budget 1955-56
Postal	1.14·84	52·26	1,87·91
Telegraphs	2.20·08	2,42·22	2,01·89
RadioS	15·98	12·51	27·00
Telephones	8.79·10	8,08·01	8,33·20
Fair Price Shops . . . . .	.62	.29	..
Stores Suspense	(—)7·00	1,03·70	..
<i>Deduct</i> —Amount met from Telephone Development Fund	(—)75·00	(—)75·00	(—)65·00
TOTAL	11.48·62	11.44·99	11,85·00

Industrial Development.—Details of the provision are indicated below:—

(In lakhs of Rupees)

	Budget 1954-55	Revised 1954-55	Budget 1955-56
1. Grants to the Council of Scientific and Industrial Research	55·00	55·00	79·00
2. Corporation for Mineral and Sand Separation Industry	20·00	20·00	25·00
3. Indian Telephone Industries	85·00	66·00	..
4. Salt Works	9·00	9·00	10·00
5. Hindustan Shipyard Ltd	33·78	93·78	83·78
6. Penicillin Factory	39·45	8·00	..
7. Hindustan Machine Tools Ltd.	2,00·00	1,90·00	..
8. National Instruments Factory	32·00	14·50	38·26
9. D.D.T. Factory	13·00	1·50	3·00
10. Heavy Electrical Equipment Factory	50·00	.50	15·00
11. Hindustan Steel Ltd.	10,00·00	..	5,00·00
12. Overseas Communications Service	36·97	31·52	40·00
13. Housing Corporation, Delhi	7·50	7·50	5·00
14. Eastern Shipping Corporation	92·50	92·50	37·00
15. Government Housing Factory . . . . .	.01	.10	.01
16. Hindustan Cables Ltd.	40·00	39·00	7·00
17. Air Corporation (Indian Air Lines)	4,49·37	5,30·50	1,29·22
18. Air Corporation (Air India International)	1,60·00	2,01·15	4,31·46
19. Oil Exploration Scheme	25·00	25·00	29·00
20. Synthetic Oils	10·00	4·00	10·00
21. Investment in Co-operative Apex Bank, Bhopal	5·00	..	..
22. Civil Explosives Factory	40·00	2·00	15·00
23. Collieries . . . . .	..	13·19	24·2 I
24. National Research Development Corporation	5·00	..	5·00

(In lakhs of Rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
25. Investment in Co-operative Bank, Vindhya Pradesh	1.00	..	..
26. Diesel Engine Factory	..	25	..
27. National Industrial Development Corporation	..	10.00	..
28. Lignite Development Project	..	16.10	25.00
29. Hindustan Insecticides Ltd.	..	21.94	22.00
30. Hindustan Antibiotics Ltd.	..	48.00	40.00
31. Shipbuilding Industries	..	48	..
32. Second Steel Plant	10.00
33. Additional Fertilizers	20.00
34. Air Corporation (Deccan Airways Ltd.)	..	38	..
35. National Small Industries Corporation	..	2.00	5.00
36. Investment in Manipur State Co-operative Bank Ltd.	10
37. Purchase of Shares of the State Marketing Association, Manipur	10
38. Thorium Uranium Plant	8.00
39. Titanium Metal Sponge Plant	4.00
40. Pilot Plant and Ghatisila	2.00
41. Acquisition of Land for atomic Energy Establishment	18.00
25.101			
TOTAL	24,09.58	15,03.89	16,42.14

Aviation.—The savings in the Revised are due to (i) show progress on aviation works as a result of delay in the completion of land acquisition proceedings; (ii) delay in the receipt of equipment ordered from abroad; and (iii) post-budget decision to drop the purchase of Direction Finding Equipment, due to its unsuitability.

The Budget provides for the execution of more works and additional facilities at the various aerodromes and communication stations.

Broadcasting.—Savings in the Revised are due mainly to the delay in the receipt of equipment ordered from abroad. Budget provides *inter alia* for the following: (i) 100 k.w. short wave transmitters at Delhi, Bombay and Madras; (ii) 50 k.w. medium wave transmitters at Calcutta, Bangalore and Lucknow; (iii) 20 k.w. medium wave transmitters at Cuttack, Patna, Madras, Vijayawada, Indore, Ajmer, Delhi and Trichur; (iv) 10 k.w. short wave transmitters at Gauhati and Srinagar; (v) two 20 k.w. short wave transmitters at Delhi; (vi) Broadcasting House Extension; (vii) Research Department; (viii) Additional Studios, transmitting facilities, replacement of equipment, etc.

Ports.—Provision is made under this Head for expenditure on the development of Vishakhapatnam Port (details of which appear in the Railway Budget) and the Kandla Port including also the development of the township of Gandhidham. The Revised and the Budget estimates include Rs. 2.82 crores and Rs. 3.92 crores respectively in respect of the Kandla Port. Similar figures for the township of Gandhidham are Rs. 30.1 lakhs and Rs. 75 lakhs respectively.

Mint.—The decrease in the Revised is due mainly to slow progress of work on the Silver Refinery Project and the Mint buildings at Alipore. Budget provides for the work expected to be completed during the year on the construction programme of the Silver Refinery Project and residential accommodation for the Alipore Mint staff.

New Capital at Delhi.—Cost of construction of buildings in New Delhi is booked under this head. Budget includes Rs. 4.31 lakhs for residential buildings, Rs. 27 lakhs for the All India Medical Institute, Rs. 38 lakhs for

construction of office accommodation at King Edward Road, Rs. 20 lakhs for Audit and Accounts offices in New Delhi, Rs. 12 lakhs for the Supreme Court building, Rs. 8½ lakhs for the office of the Comptroller & Auditor General of India, Rs. 6 lakhs for extending Willingdon Hospital and Rs. 6 lakhs for the College of Nursing.

Multi-purpose River Valley Schemes.—Provision is made here for the Centre's share for the capital outlay on the Damodar Valley Scheme. As against the provision of Rs. 3·91 crores in the current year, the Centre's share is now estimated at Rs. 3·86 crores. A provision of Rs. 4·23 crores has been made in the next year's budget for this purpose. The balance of the provision in both the Revised and Budget is for the construction of buildings at the Central Water and Power Research Station, Poona.

Electricity Schemes.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1954-55	Revised Estimate, 1954-55	Budget Estimate, 1955-56
1. Electric Plant for Power House at Port Blair . . .	1·77	1·77	·67
2. Rural Electrification in Bhuj Nakhatrana Block . . .	9·79		7·00
3. Extension of service lines to surrounding villages at Mandvi and Bhuj . . .	10·00	10·70	19·00
4. Extension of electric supply in Manipur . . .	5·00		3·48
5. Nationalisation of Agartala Electric Supply, Tripura . . .	3·00		4·83
6. Extension of electricity schemes and installation of new plants in Himachal Pradesh . . .	9·38	·60	..
7. Electricity schemes in Bhopal . . .	12·47	·27	..
8. Electricity Schemes in Vindhya Pradesh . . .	25·00	7·09	..
9. Construction of Power House at Mundra . . .			2·50
TOTAL . . .	76·41	27·58	37·48

Civil Works.—Provision is made in the capital budget for all works estimated to cost Rs. 1 lakh or over. A broad analysis of the sums provided in the Revised and Budget estimates is given below:—

(In lakhs of Rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
National Highways and other Roads . . .	13,32·30	10,83·80	16,30·00
Construction of houses, etc. for displaced persons . . .	3,75·00	40·00	12,31·90
Other Buildings . . .	7,97·69	4,44·08	6,20·02
TOTAL . . .	25,04·99	15,67·88	10,26·02

The figures given above allow for a credit of Rs. 3 crores this year and Rs. 15 crores next year for the value of Government property transferred to displaced persons in lieu of compensation. As explained later under "Displaced Persons" corresponding debits appear under the head "Capital Outlay on Displaced Persons".

Communication of Persons.—It is difficult to frame accurate estimates as the expenditure depends on the flow of applications for commutation. Provision is made on the trend of actuals and other information supplied by the Accounts Officers.

Sterling Pensions.—The payments made to the U.K. Government for purchase of annuities for financing the sterling pensions was charged to this head. The capital portion of the annuities received from the U.K. Government is taken to this head as a credit. A total sum of Rs. 224 crores was paid in 1948 for the purchase of these annuities and sums of Rs. 8·81 crores this year and Rs. 8·64 crores next year will be recovered in repayment. Of these recoveries, Rs. 1·76 crores this year and Rs. 1·69 crores next year will be adjusted in reduction of interest charges and the balance, representing the capital portion of these annuities, taken under this head.

Defence Capital Outlay.—Details appear in the Defence Budget. Credit has been taken under this head for Rs. 1·95 crores this year and Rs. 2·26 crores next year on account of realisation of sale proceeds of surplus stores.

Schemes of Government Trading.—This head accommodates the receipts and payments in connection with the various schemes of State Trading, the most important of which is purchase of foodgrains. As against the budget of a net credit of Rs. 3·11 crores, the revised shows a net debit of Rs. 58·48 crores which is attributable mainly to the decision taken by the Central Government to acquire, following decontrol in July 1954, the stocks of rice accumulated with the State Governments with a view to build up Central reserves, and also to the import of rice under the agreement with the Government of Burma. Budget includes a net expenditure of Rs. 25·16 crores on the purchase of foodgrains after providing for a transfer to revenue of Rs. 8 crores on account of the accumulated profits on the sale of imported sugar.

Development Grants.—The details of the provision are as follows:—

(In lakhs of Rupees) 1

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Local Works	6,00·00	5,68·39	5,59·10
Industrial Housing	6,00,00	2,00·00	3,86·67
Development Grants to Part B States	4,00,00	4,02·50	4,40·67
National Rural Water Supply and Sanitation Schemes . . . . .	..	80·69	4,44·63
TOTAL	16,00·00	12,51·58	18,31·07

In accordance with the decision taken last year, the capital head takes a credit in the Budget for a sum of Rs. 85·53 lakhs by debit to Revenue as the first instalment of the write-back of the capitalised expenditure on Development Grants. The entire write-back will be completed over a period of 15 years.

Displaced Persons.—The gross expenditure on the scheme of interim compensation to displaced persons from West Pakistan in the current year is estimated at Rs. 14 crores but a sum of Rs. 6·35 crores will be met from the income accruing from the sale proceeds etc. of evacuee property, lying in deposit with Government. Budget provides for a gross expenditure of Rs. 31 crores of which Rs. 9·5 crores will be met from the sale proceeds etc. of evacuee property.

In accordance with the decision taken last year, the capitalised expenditure has to be written back to Revenue over a period of 15 years.

A sum of Rs. 51 lakhs has been provided in the Revenue budget on this account and the net expenditure next year on the capital side would, accordingly, amount to Rs. 20.99 crores. These estimates include the value of Government property and loans etc. written off in lieu of compensation payable to displaced persons for which a corresponding credit is taken under Capital Civil Works and the Loan head respectively but exclude evacuee property transferred to displaced persons for which no adjustment is made in Government accounts. The estimates of Government property transferred and loans etc. written off are Rs. 3 crores and Rs. 1 crore, this year, and Rs. 15 crores and Rs. 1 crore, next year, respectively.

Capital Outlay no Shipping & Tankers.—A new Major Head has been opened, with the concurrence of the Comptroller & Auditor General of India for recording the transactions relating to the purchase of ships, tankers, etc. Budget includes provision for the purchase of 2 Tankers to serve the needs of the new Oil Refineries set up in India.

Other Civil Heads.—Broad details of the provision are given below:—

(In lakhs of Rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Capital Outlay on Forests	28.76	23.69	27.61
Capital Outlay on Schemes of agricultural Improvement and Research	25.56	70.64	93.98
Capital Outlay on Currency	2.71	.90	7,84.80
Other Capital Heads. (Security Press, Road and Water Transport, etc.)	13.28	5.19	3.58
TOTAL	170.31	100.42	909.97

The provision on Capital Outlay on Forests is in respect of buildings, and equipment for the Forest Research Institute, Dehra Dun, and on the development of Andamans Forests.

The decrease in the revised estimate for Capital Outlay on schemes of Agricultural Improvement and Research is mainly due to the provision for Grow More Food schemes in Part 'C' States being included, with effect from 1st October, 1954 (1st December, in the case of Ajmer) in the State budgets as a result of the amendment of the Part 'C' States Act 1951, non-receipt of material and equipment and delay in the construction programme for the development of Marine Fisheries and in setting up of the Sugar and Sugar-cane Research Institute. Budget includes provision for the expansion of Indian Agricultural Research Institute, Central Potato Research Institute, Central Rice Research Institute, development of Marine Fisheries, Sugar and Sugar-cane Research Institute building and staff quarters and also provision for the completion of Sugar-cane Breeding Institute, Coimbatore, expansion of the Indian Dairy Research Institute and construction of Central Control Laboratory and 3 additional Laboratories at Bombay, Calcutta and Madras.

The Capital Outlay on Currency includes next year, Rs. 7.70 crores on account of payment to the Reserve Bank for the cancellation of the ad hoc created by the former Hyderabad Administration for expanding its currency. The balance of the provision is for the expansion of the Currency Note Press including the construction of its staff quarters.

Discharge of Permanent Debt.—Revised includes Rs. 45·09 crores for the discharge of Rupee Debt, Rs. 1·57 crores on account of Railways Sterling Annuities etc., and Rs. 1·65 crores for the repayment of Dollar Loans (Rs. 96 lakhs for the Railway Project Loan and Rs. 69 lakhs for the Agricultural Machinery Project Loan). Budget includes Rs. 68·75 lakhs for the discharge of the 2½ per cent. Loan, 1955 and 4½ per cent. Loan, 1955—60, Rs. 1·23 crores for the Railways Sterling Annuities etc., Rs. 1·97 crores for the Dollar Loans (Rs. 99 lakhs for the Railway Project Loan, Rs. 56 lakhs for the Agricultural Machinery Project Loan and Rs. 42 lakhs for Bokaro-Konar Project Loan) and Rs. 1·1 crores on account of expired loans.

Inter-State Debt Settlement.—Revised includes Rs. 1·1 crores on account of the Central share of the 3 per cent. Loan, 1952—54 (Travancore) and 3 per cent. Loan, 1953—55 (Cochin), discharged this year. Budget provides Rs. 45 lakhs for the central share of the 5 per cent. Mysore Loan 1955.

Advances to State Governments.—Broad details of advances are given below:—

		(In lakhs of Rupees)		
		Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
Irrigation loans	66.22	66.67	80.56	
Misc. Development Loans	45.16	68.01	51.00	
Loans for Rehabilitation of Displaced Persons	12.45	10.50	14.50	
Loans for Grow More Food Schemes including Tube-well Schemes and Agricultural Finance	41.12	34.71	48.92	
Loans for Community Development and National Extension Projects	11.85	8.07	10.52	
Loans for Industrial Housing Schemes	6.00	3.50	6.82	
Loans for relief work in Natural calamities and improvement in scarcity areas	17.00	15.79	21.00	
Loans for development of Handloom and Small Scale Industries	2.30	3.25	4.57	
Loans for low and middle income group Housing Scheme . . . . .	..	1.00	4.00	
Loans for Flood Control . . . . .	..	2.50	10.00	
Loans for expansion of Power facilities for increasing Employment . . . . .	..	2.20	10.00	
Loans out of National Plan Loan . . . . .	..	25.50	..	
Loans for Schemes of sharing small savings collections . . . . .	..	3.00	10.00	
Loans for abolition of Inter-State Transit Duty in certain Part 'B' States . . . . .	..	..	1.96	
Loans to Bombay for Vaitarna-cum-Tansa Schemes of Bombay Municipal Corporation	2.00	2.00	1.50	
Loans for Urban Water Supply and Drainage Scheme	2.00	3.00	6.00	
Other Loans	8.31	5.21	8.84	
	2,14.41	2,54.91	2,90.19	
Less—Amount met from Special Development and other Funds	—35.62	—34.64	—10.90	
NET	1,78.79	2,20.27	2,79.29	

The loans for development purposes included above will be met partly out of the Special Development Fund and Other Funds as indicated below:—

(In lakhs of Rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
(i) Special Development Fund	32,97	31,67	7,68
(ii) Fund for benefit of Cotton Growers	50	50	50
(iii) Sugar (temporar) Excise Fund	18	17	10
(iv) Fund for development of Handloom and Khadi Industries	1,97	2,30	2,62
TOTAL	35.62	34.64	10.90

Other Loans and Advances.—Broad details are given below:—

Advances to Part 'C' States . . . . .	..	6.72	10,23
Advances to Foreign Governments	1,00	..	10
Loans to Port Trusts	9,04	9,03	8,16
Loans to other Local Funds	2,20	3	1,00
Advances to Cultivators	1,59	95	86
Rehabilitation Finance Administration	2,40	90	2,45
Delhi State Electricity Board	80	40	50
Delhi Road Transport Authority	70	40	53
Displaced Persons (including Interim Relief to Displaced Persons)	71	2,11	3,75
Development of Cottage, Small Scale and Handloom Industries	18	9	31
Development of Village and Khadi Industries	2,00	1,78	2,50
Loans for construction of buildings and hostels for Educational Purposes	9	58	39
Loan to Nuclear Physics Institute, Calcutta . . . . .	..	80	..
National Research Development Corporation	9	..	12
Loans to S.C.O.B. and Hindustan Steel, Ltd.	4,00	7,50	12,50
Loans to Private Companies for Visak built ships and ships for coastal and overseas trade	4,45	5,50	8,32
Loans to Private firms for Industrial Housing	1,00	1,00	1,00
Loans to Sindri Fertilizer and Chemicals, Ltd. . . . .	..	1,05	1,50
Indian Telephone Industries . . . . .	..	84	19
Debtsgure loan to Hindustan Cables, Ltd. . . . .	..	..	33
Debenture loan to Hindustan Shipyard Ltd. for Development and Dry Dock	1,45	1	10
Loan to Air India International and Indian Air Lines Corporation	57	80	1,10
Hindustan Antibiotics Ltd. . . . .	..	..	40
Schemes for Colonisaion and establishing the sufferers from Japanese occupation in Andamans	12	12	17
Loans to Atul Products Ltd. . . . .	..	75	75
Indian Industrial Investment Corporation . . . . .	..	7,50	..
National Industrial Development Corporation . . . . .	..	..	4,90
National Small Industries Corporation . . . . .	..	..	10
Other Loans and Advances (including loans to Government Servants)	2,20	1,81	2,78
TOTAL	34.59	50.67	65.04
Less—Amount met from Special Development and other Funds	—5.53	—14.84	—8.68
NET	129.06	35.53	56.36

The loan for development purposes included above will be met partly out of the Special Development Fund and Other Funds as indicated below:—

(In lakhs of Rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
i) Special Development Fund		7,50	
ii) Amount met from the Fund for Development of Hand-loom and Khadi Industry	1,53	1,28	1,18
(iii) Amount met from other Governments Deptts., etc.—Iron and Steel Equalisation Fund	4,00	6,00	7,50
(iv) Amount met from Railway Revenue Reserve Fund		6	
TOTAL	5,53	14,54	8,68

Debt Position of the Government of India

The outstanding public debt of the Government of India is expected to amount to Rs. 23,92 crores at the end of the current year and Rs. 28,00 crores at the end of 1955-56.

A broad analysis of the debt compared with the debt at the end of 1938-39 is given below:—

(In crores of Rupees)

Particulars	As on 31st March 1939	As on 31st March, 1955	As on 31st March, 1956
Refugee Loans :			
Current Loans	4,37 87	14,74 91	15,31 11
Treasury Bills and Ways and Means Advances	46 30	5,54 95	8,94 95
Special Floating Loan		2,12 60	2,12 60
Expired Loans	65	12 67	12 38
TOTAL	4,84 82	22,55 13	26,51 04
Sterling Loans :			
Current Loans	3,96 50	.70	.67
War Contribution	20 62	20 62	20 62
Capital Portion of Railway Annuities	47 82	3 18	1 99
Expired Loans	01	.04	.04
TOTAL	4,64 95	24 55	23 32
Debt in Lacs . . . . .	..	1,11 91	1,26 06
GRAND TOTAL	9,49 77	23,91 58	28,00 42

The liability for the British war loan remains suspended while the outstanding Railway annuities are covered by an equivalent deposit with

the United Kingdom Government, who provide the necessary sterling as the payments fall due. Omitting these items, the total outstanding debt will be Rs. 23,68 crores at the end of the current year and Rs. 27,78 crores at the end of 1955-56. At the end of the Budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 18,96 crores.

In addition, the Government are liable to repay the balances in the various Provident Funds, the Post Office Savings Banks, the Post Office Cash, National Savings and National Plan Certificates, including Annuity Certificates, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs etc. and certain other deposits, mainly relating to Excess Profits Tax and Income-tax. These balances are estimated to amount to Rs. 8,73 crores at the end of the current year and Rs. 9,33 crores at the end of 1955-56, after making a very rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:—

(In crores of Rupees)

	On 31st March, 1955	On 31st March, 1956
Regular Loans	23,91·58	28,00·42
Other Liabilities	8,72·88	9,33·39
British War loan and Railway Annuities	(→)23·80	(→)22·61
 TOTAL	 32,40·66	 37,11·20

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:—

(In round crores of Rupees)

	As on 31st March, 1955	As on 31st March, 1956
Railways	9,02	9,68
Posts and Telegraphs and other Commercial Departments	1,15	1,38
Investment in Commercial concerns	41	57
Loans and Advances	7,34	10,39
Purchase of annuities for sterling pensions	1,71	1,64
Subscription s to the International Monetary Fund and World Bank	2,13	2,13
Debt due from Pakistan	3,00	3,00
Cash and other investments	65	78
 TOTAL	 25,41	 29,75

EXPLANATORY MEMORANDUM: GENERAL BUDGET

Allowing for these, the uncovered debt will amount to Rs. 7,54 crores at the end of the budget year against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years are not entirely unremunerative, and similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the capital outlay on New Delhi and Defence capital outlay) is not without value.

The statement below analyses the interest bearing obligations of the Government of India and the interest yielding assets held by them.

Interest-bearing obligations and interest-yielding assets of the Government of India.

(In cores of Rupees)
(At the end of)

	1938-39 (pre-war year)	1954-55 Revised	1955-56 Budget
INTEREST BEARING OBLIGATIONS :			
In India—			
PUBLIC DEBT—			
Loans			
Treasury Bills and Ways and Means Advances	4.37·87	14.74·91	15.31·11
	46·30	5.54·95	8.94·95
TOTAL—PUBLIC DEBT (INDIA)	4.84·17	20.29·86	24.26·06
UNFUNDED DEBT—			
Service Funds	1·03	·37	·35
Post Office Savings Bank Deposits including Defence Savings Bank	81·88	2,56·62	2,77·62
Post Office Cash and Defence Savings Certificates	59·57	5·17	3·77
National Savings Certificates	..	1,99·26	2,19·26
National Plan Certificates	..	7·00	14·00
State Provident Funds	72·40	160·20	1,76·69
Ten-Year Treasury savings Deposit Certificates	..	37·34	42·34
Other Items	10·25	14·83	15·26
TOTAL—UNFUNDED DEBT (INDIA)	2.25·13	6,80·79	7,49·29
DEPOSITS—			
Depreciation, Development and Reserve Funds	27·34	1,74·25	1,66·78
Other Deposits	..	15·08	14·65
TOTAL—DEPOSITS (INDIA)	27·34	1,89·33	1,81·43
TOTAL—OBLIGATIONS IN INDIA	7.36·64	28.99·98	33.56·78
In England—			
PUBLIC DEBT—			
Loans	3.96·50	·70	·67
War Contribution	20·62	20·62	20·62
Capital portion of Railway annuities in purchase of Railways	47·82	3·18	1·99
TOTAL—PUBLIC DEBT (ENGLAND)	4.64·94	24·50	23·28

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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(In crores of Rupees)
(At the end of)

	1938-39 (pre-war year),	1954-55 Revised	1955-56 Budget
UNFUNDED [DEBT—			
Service Funds (England)	4·18	2·76	2·67
TOTAL—OBLIGATIONS IN ENGLAND	<u>4,69·12</u>	<u>27·26</u>	<u>25·95</u>
DOLLAR LOANS . . . . .	..	1,11·91	1,26·06
TOTAL—INTEREST-BEARING OBLIGATIONS	<u>12,05·76</u>	<u>30,39·15</u>	<u>35,08·79</u>

INTEREST YIELDING ASSETS—

Capital advanced to Railways	7,25·24	9,01·72	9,67·81
Capital advanced to other Commercial Departments	27·42	1,15·33	1,38·19
Investment in Commercial concerns . . . . .	..	40·82	57·24
Capital advanced to States	1,23·28	6,42·57	8,96·94
Other-interest-bearing loans	20·71	91·48	1,41·71
Deposits with the U.K. Government for redemption of Railway annuities . . . . .	..	3·18	1·99
Purchase of annuities for sterling pensions . . . . .	..	1,70·98	1,64·03
Debt due from Pakistan . . . . .	..	3,00·00	3,00·00
TOTAL—INTEREST YIELDING ASSETS	<u>8,96·65*</u>	<u>22,66·08</u>	<u>26,67·91</u>
Cash and Securities held on Treasury Account	30·30	65·38	78·48
Balance of total interest-bearing obligations not covered by above assets	2,78·81	7,07·69	7,62·40

*This figure excludes the debt of Rs 49·73 crores due from Burma which, in accordance with the Agreement arrived at with the Government of Burma this year, was reduced to Rs. 20 crores and became non-interest bearing. Out of this, Rs. 15·6 crores are to be recovered through the rebate of £13 per ton, allowed by the Government of Burma on the purchase of 9 lakh tons of rice to be imported from that country. The balance will either be treated as a financial aid through the Colombo Plan to Burma or adjusted against the sale price of any further rice that may be bought by the Government of India, as may be mutually agreed between the two countries.

NOTE 1.—The outstanding at the end of each year are shown in the statement. The accounts for the year 1947-48 (pre-partition) and 1953-54 have not yet been closed finally and the figures have, therefore, been worked out on the best information available.

NOTE 2.—Sterling obligations have been converted into Rupees at *1sh. 6d.* to the Rupee.

NOTE 3.—Under Unfunded Debt, Deposits and Interest-yielding assets, allowance has been made on a rough basis for the share allocable to Pakistan.

NOTE 4.—The figure entered for debt due from Pakistan is a very rough guess.

SECTION III

NOTES ON IMPORTANT SCHEMES

SECTION III

NOTES ON IMPORTANT SCHEMES

The notes in this section which deal largely with capital schemes, have been arranged by Ministries.

MINISTRY OF COMMERCE AND INDUSTRY

KHADI AND VILLAGE INDUSTRIES

During the year 1954-55, assistance to khadi and village industries has been given on a considerable scale. The rebate of annas three in the rupee on sales of khadi was continued. A sum of Rs. 1 crore was placed at the disposal of the Khadi Board, as revolving credit for trading operations including purchase of cotton and production and marketing of khadi. Loan totalling Rs. 1.21 crores was given to various institutions engaged in the production of khadi. Supply of improved equipment, the encouragement of Vastraswalamban, holding of exhibitions and the opening of sales-depots were other features of the assistance to the industry. An Emporium has been opened in Bombay and another is to be opened in Delhi shortly. Sales of khadi hundies on a very wide scale was a new feature. As a result of these measures, the production of khadi in the year 1954 is estimated to be about Rs. 4 crores worth as against Rs. 1.94 crores in 1953 which is a measure of the increased employment given under this assistance.

A Research Institute for Village Industries is planned to be set up in the near future. Another measure would be the introduction of the 4-Spindled Amber Charkha which is estimated to bring down the cost of production considerably.

Grants and loans totalling Rs. 41 lakhs and 36 lakhs respectively were given for the development of the following village industries:—

1. Flour chakkis
2. Pottery
3. Soap-making
4. Hand-pounding of rice
5. Hand-made paper
6. Village oil
7. Village leather
8. Bee-keeping
9. Cottage match
10. Palm Gur
11. Gur and Khandsari
12. Fibre.

The pattern of development was the opening of production and trading centres in these industries; subsidies for the purchase of improved equipment by village artisans; and a production subsidy for these schemes run by the Khadi and Village Industries Board. A new development is the opening of a few intensive work centres where a concerted programme of assistance to Khadi and Village Industries was taken up.

A sum of Rs. 6.5 crores—Rs. 4 crores as grants and Rs. 2.5 crores as loans—has been provided in the Budget Estimates for 1955-56 for assistance to the Khadi and Village Industries.

EXPLANATORY MEMORANDUM: GENERAL BUDGET
HANDLOOM INDUSTRY

Assistance to State Governments for their development schemes relating to the Handloom Industry will be continued on the same lines as for 1953-54 and 1954-55. The main emphasis was on development of this industry through the Co-operative Organisation. During 1954-55 a sum of Rs. 1.64 crores has been sanctioned as loans towards share capital and working capital for Co-operatives upto the end of December, 1954. 64,000 weavers have been brought into the co-operative fold.

Financial assistance was also given to State Governments for the setting up of common plants for dyeing, finishing and processing; for supply of improved technical implements; and for marketing and sales-depots. Upto the end of September, 1954, 188 sales-depots for handloom products had been opened and 16 mobile marketing vans purchased.

A rebate of 9 pies to 1½ annas in the rupee on sales of over Rs. 5/- continued to be given on sales of handloom cloth. In 1954-55 the rebate was extended to sales, made by consumer co-operatives and fair price shops approved by the State Governments, whether such handloom cloth had been purchased from co-operatives or from middlemen. This meant that the benefit of the rebate was extended also to weavers outside co-operative fold.

There were two or three new directions of development. The first is the formation of Industrial Co-operatives under which handloom factories run by small capitalists were purchased or taken on lease and run by Co-operative Societies with the workers as members. The workers would share in the profits. Three such industrial co-operatives have been sanctioned.

The second new scheme is assistance to housing colonies for weavers. The Government have decided to subsidise such housing colonies run by Weavers' Co-operative Societies under which an outright grant is made of 25 per cent. and a loan given upto 50 per cent. of the cost of each house (including land) subject to the ceiling of Rs. 5,000. At the same time, financial assistance is given to the establishment of common processing plants for the weavers in the colony.

In addition to State Government Schemes, the Central Government continued their Export Marketing Scheme and have also decided to set up an All India Marketing Co-operative Society with a loan of Rs. 15 lakhs. This society would undertake inter-state marketing.

HANDICRAFTS

During the year 1953-54, Government of India spent Rs. 14 lakhs on Handicrafts. The Handicrafts Board which concentrated attention mainly on the Toy, Mat and Pottery Industries in 1952-53, added textile prints to their list in 1953-54 for intensive development. During the current financial year about Rs. 19 lakhs have been sanctioned by Government up to 31st December, 1954.

In 1955-56, Government propose to take up the following additional industries for special development:—

- (i) Bidri
- (ii) Ivory and horn industry.
- (iii) Wool and Wool products.

The Board has been paying great attention to the marketing aspect of Handicrafts and a sum of Rs. 10 lakhs to be given as loans has been

ear-marked in 1954-55 for financing production of handicrafts against firm orders. Considerable attention has also been paid to popularising Handicrafts in foreign countries through exhibitions.

A sum of Rs. 60 lakhs has been provided in the Budget Estimates for 1955-56.

SMALL SCALE INDUSTRIES

Financial assistance is given to State Governments and Non-official organisations for the execution of specific schemes for the development of small scale industries under State Aid to Industries.

A total provision of Rs. 104 lakhs—Rs. 50 lakhs as grants and Rs. 54 lakhs as loans—had been made in the Budget for the development of small scale industries during the current financial year. So far grants and loans to the extent of Rs. 20.20 lakhs and Rs. 87.72 lakhs respectively have been sanctioned.

A sum of Rs. 3.27 crores—Rs. 1 crore as grants and Rs. 2.27 crores as loans—has been provided in the Budget Estimates for 1955-56.

Pursuant to the acceptance of recommendations of the International Planning Team on Small Scale Industries which recently visited India under the auspices of the Ford Foundation, four Regional Institutes of Technology have been set up at Madurai, Bombay, Calcutta and Faridabad for small scale industries. Four Branch Units for small scale industries have also been sanctioned in the States of Travancore-Cochin, Hyderabad, Uttar Pradesh and Bihar. A Development Commissioner has been appointed to control and co-ordinate the activities of these Institutes and Branch Units. A small Scale Industries Board has been established for the development of Small Industries on certain lines. A sum of Rs. 16.49 lakhs for the Board etc. has been provided in the Budget Estimates for 1955-56.

A token provision of Rs. 1 lakh for the buildings of the above mentioned Institutes and a provision of Rs. 25,000 for the buildings of each of the Branch Units has been made in the Budget Estimates for 1955-56. A provision of Rs. 20 lakhs for equipment for the four Institutes has also been made in the Budget Estimates for 1955-56.

It has been decided to establish a National Small Industries Corporation with the following objectives: (1) to organise production for meeting Government orders and (2) to organise production of components and spare parts by small industrial units as ancillaries to large-scale units. The Corporation has been established as a private limited Company, under the Indian Companies Act, 1913, with an authorised capital of Rs. 10 lakhs. The Government would nominate the Board of Directors with the Development Commissioner for Small Scale Industries as Chairman and representatives of the Ministries of Finance, Railways, Defence and W.H. & S. and the D.G. (P&T). A provision of Rs. 2 lakhs for investment in the share capital of the Company has been made in the Revised Estimates for 1954-55 and Rs. 17 lakhs in the Budget Estimates for 1955-56.

COIR INDUSTRY

The Coir Board was set up on the 6th July, 1954, in pursuance of the provision of the Coir Industry Act, 1953 (45 of 1953), endowed with statutory powers for controlling production, improving quality and developing both export trade as well as internal market.

A provision of Rs. 1.10 lakhs in the Revised Estimates for 1954-55 and Rs. 5.27 lakhs in the Budget Estimates for 1955-56 has been made for the Coir Board.

SILK INDUSTRY

During the year 1954-55, the Central Silk Board has made grants to the State Governments for specific schemes of research, improvement of quality of non-mulberry silk and development of sericulture industry. Six officers from different States have been sent to Japan for higher training and research in sericulture. The knowledge and experience of these officers will greatly benefit the sericulture industry in India. Attempts are continuously being made to reduce the price of raw silk under improved methods, increasing the sales and also to find markets for Indian silk goods abroad. Under the Trade Agreement with the People's Republic of China, 90 metric tons of raw silk are being imported from that country, to be distributed at reasonable price through co-operative societies, State Governments etc. A provision of Rs. 30 lakhs has been made in the Revised Estimates for 1954-55 for loan to Central Silk Board for import of silk from China.

A sum of Rs. 35 lakhs is proposed to be given as a grant to the Central Silk Board and Rs. 15 lakhs as loan to the State Governments for modernisation of Reeling Machines and organisation of Co-operative Silk Marketing Societies during 1955-56.

It is proposed also that the marketing of handloom silk fabrics should be taken up by the marketing organisations under the All India Handloom Board.

EXHIBITIONS AND SHOW-ROOMS ABROAD

For promotion of India's Export Trade visual commercial publicity to our exportable merchandise is being given by:—

- (a) participation in important International Exhibitions/Fairs;
- (b) holding wholly Indian Exhibitions abroad; and
- (c) setting up and maintenance of Commercial Show-rooms.

During the year 1954-55 participation has so far been arranged in eight Exhibitions/Fairs. In addition, a wholly Indian Exhibition was organised in Egypt on a very comprehensive scale. Arrangements are being made to take part in a Carpet Exhibition which is being held in New Zealand and to hold a small exhibition at Singapore during the remaining part of the current financial year.

During 1954-55 a Commercial Show-room has been established at Manila in the Philippines and the Show-rooms at Colombo, Vienna and Trinidad have been further strengthened by improving facilities for display. Proposals are under consideration for setting up Show-rooms at Rangoon, Djakarta and Teheran. Arrangements are under way to establish Show-room cum Trade Centres at New York, Geneva, Hamburg and Aden. These Trade Centres will maintain comprehensive data regarding importing firms in the country concerned and that relating to supplying firms in India. The Trade Centres will also give wide publicity to Indian exportable goods. It is proposed to link these Trade Centres with either a Corporation to be set up or with an established Commercial House so that promotion of normal commercial transactions could be facilitated and actual trade promoted.

A provision of Rs. 56·70 lakhs has been made in the Budget Estimates for 1955-56.

EXPANSION OF MYSORE IRON AND STEEL WORKS

The expansion scheme of the Mysore Iron and Steel Works is designed mainly to increase their present steel production capacity from about 30,000 tons per annum to about 1,00,000 tons per annum by the installation of necessary additional equipment, and to increase their capacity for the manufacture of cast iron pipes. The installation of two electric furnaces for the production of pig iron (each of capacity 35,000 tons per annum) has been completed and schemes for the installation of a spun cast iron pipe plant (for the production of about 17,000 tons of spun pipes per annum), and for putting up a sintering plant (which would enable them to use powdered ores in their furnaces) have been taken in hand.

A provision of Rs. 1·2 crores for loan has been made in the Budget Estimates for 1955-56.

IMPORT OF STEEL UNDER THE INDO-AMERICAN ECONOMIC AID PROGRAMME

The shortage of steel is a major obstacle in the attainment of India's economic development. The normal annual production in the country at present is approximately 1·1 million tons, while the estimated annual present demand is approximately 2·3 million tons and is likely to increase in the coming years. The gap between production and demand is proposed to be met partly by arranging for imports under the Indo-American Economic Aid Programme. Under this programme in January, 1954, the Government of U.S.A. agreed to supply free of cost 2,00,000 tons of steel of the value of about Rs. 12 crores, the contribution of the Government of India being limited to the expenditure on account of customs duty, handling and clearing charges. But only about 81,498 tons are expected to arrive under this agreement during 1954-55 and the balance is expected to be completed in 1955-56. In addition, the Government of India propose to enter into a similar agreement with the Government of U.S.A. shortly for the import of a further 1,60,000 tons of steel for industrial purposes. It is expected that about 1,08,500 tons will arrive during 1955-56. Accordingly, provision has been made in the Budget for the estimated expenditure on the distribution of steel proposed to be imported during 1955-56, which includes the estimated cost based on actual prices where possible and in other cases, current prices in world markets, and the expenditure in India on customs duty, handling and clearing charges etc. The expenditure will be recouped partly by the sale proceeds of steel, partly by credits from the funds created corresponding to the value of aid received from the Government of U.S.A. and partly from the Iron and Steel Equalisation Fund.

LOAN TO MESSRS. ATUL PRODUCTS LIMITED

Messrs. Atul Products Ltd., who are manufacturing chemicals, dyestuffs and pharmaceuticals applied to the Government of India for a loan of Rs. 3 crores in connection with their expansion programme for increasing the range of their products. As this development would be in the national interest, it has been decided to give Messrs. Atul Products Ltd., a loan not exceeding Rs. 3 crores.

To make a beginning with the manufacture of Azo dyes, Coramine and Vioform the Company have requested for a loan of Rs. 75 lakhs which is likely to be granted during 1954-55.

A provision of Rs. 75 lakhs has been made in the Budget Estimates for 1955-56.

THE NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION

The National Industrial Development Corporation was set up as a private limited company on the 20th October, 1954. It has a Board of fifteen Directors, including officials and non-officials, all nominated by Government, with the Minister for Commerce and Industry as Chairman. It has an authorised capital of Rs. 1 crore of which only Rs. 10 lakhs have been called up and paid. The Corporation is conceived mainly as an instrument of Government for securing a harmonious development of industries in both the private and public sectors. Subject to previous approval of Government, the Corporation will plan and formulate projects for setting up new industries or develop new lines of production. It will undertake financing of industries only in so far as it is incidental to the development of an industry. It will also act as the agency of the Government for the grant of special loans for the cotton textiles and jute industries and any other industry which the Government may desire to assist in a similar manner. It will also undertake the building up of a corps of competent technical and managerial personnel. The finances required by the Corporation may be provided by Government in the following ways:—

- (i) By an annual grant for the purpose of study, investigation and formulation of projects and building up a corps of technical and managerial staff; and
- (ii) By loans to the Corporation to be made as and when projects are taken up by the Corporation, the terms of the loan to be settled according to the circumstances of each case.

The Board of Directors have drawn up a list of industries for purposes of study and investigation. The general approval of Government has been accorded to the Corporation undertaking the study, investigation and formulation of projects for these industries, in close co-operation with the Planning Commission and the Production Ministry.

A sum of Rs. 12 lakhs in the Revised Estimates for 1954-55 and Rs. 5 crores—Rs. 10 lakhs as grants and Rs. 4·9 crores as loans—in the Budget Estimates for 1955-56 has been provided.

MINISTRY OF COMMUNICATIONS

AIR INDIA INTERNATIONAL CORPORATION

The Corporation has been making steady progress. The two Super Constellation aircraft for which order was placed in 1952 by the Air India International Ltd., were received during 1954 and were put on the India-U.K. route. The Constellations thus released were put on the new Bombay-Madras-Singapore and the Bombay-Calcutta-Bangkok-Hongkong service. The Corporation has been endeavouring to develop traffic on these new routes. It is hoped that the load factor on these services will shortly improve.

The Corporation had placed an order for 3 Super Constellation aircraft which are expected to be delivered early in 1955. On delivery of these aircraft the Corporation propose to expand their existing services.

To attract more traffic the Corporation has planned to expand its publicity activities and is also taking effective steps for sales promotion. The total expenditure on this project during the two years 1953-54 and 1954-55 is estimated at Rs. 407 lakhs. The Corporation made a profit of Rs. 7 lakhs during 1953-54 and it expects to make a profit of about Rs. 9.38 lakhs during the year 1954-55. This, however, does not take into account interest on capital provided by Government.

The Corporation proposes to provide residential accommodation for its staff at Santa Cruz. A provision of Rs. 30 lakhs has been made for this purpose in the Budget Estimates for 1955-56.

INDIAN AIRLINES CORPORATION

The Corporation had been busy during the year under review with the integration of their workshops operations and organisation, the introduction of a uniform accounting system and the integration of the staff of the different companies. In order to have an effective check on their expenditure the Corporation have set up an internal audit organisation.

In order to develop certain feeder services and replace their Dakota aircraft on some of their existing services, the Corporation have placed an order for 8 Heron aircraft. Initially the operation of these aircraft is not likely to be economical but in the long run these aircraft are likely to attract more traffic. This project is likely to cost Rs. 74.25 lakhs. The Corporation will soon be placing orders for 5 large-sized pressurised aircraft to replace the Dakotas on their major trunk routes and a provision of Rs. 279.94 lakhs has been made for this purpose in the Budget Estimates for 1955-56. In addition to this a provision of Rs. 108.50 lakhs has also been made in the next year's budget for organisation of workshops, modification of their aircraft, training of their flying personnel, purchase of stocks, etc.

In spite of Government subsidy the ex-air companies which vested in the Corporation were incurring considerable losses before the nationalisation of commercial air transport. The Indian Airlines Corporation also, as was anticipated earlier, suffered a loss of Rs. 92.15 lakhs during the first eight months of their working. The Corporation are likely to continue to incur losses for the first few years. A provision of Rs. 80 lakhs has been made in the Budget Estimates for 1956-56 for meeting the losses and working expenses of the Corporation.

INDIAN TELEPHONE INDUSTRIES

The authorised capital of the Indian Telephone Industries, which was raised from Rs. 2.5 crores to Rs. 4 crores in March 1954, has since been fully subscribed. The respective share-holdings are as under:—

Government of India	.	.	.	.	.	.	.	.	Rs. 3,58,74,500
Government of Mysore	.	.	.	.	.	.	.	.	Rs. 31,25,000
Automatic Telephone & Electric Co., Ltd.	.	.	.	.	.	.	.	.	Rs. 10,00,500
<hr/>									Rs. 4,00,00,000

During the year under review 40,952 telephones were manufactured as against 27,209 in 1952-53. The telephones were assembled mainly out of manufactured components and the number of imported components have been reduced progressively in so far as telephone instruments are concerned. All components are expected to be manufactured or obtained locally in India by next year except ball bearings and special type of magnets. In the case of Automatic Exchange Equipment, the Factory's

effort, which during the year 1953-54 was only about 15 per cent. of the total cost of equipment is expected to go up to 80 per cent. in three to four years' time. The remaining 20 per cent. will still have to be imported, unless some other industries in India take up the manufacture of specialised items like Switch Board Cable, Flood lighting, etc. From April 1954, the production rate for telephones has been further stepped up and it is expected that during 1954-55 about 50,000 telephones and about 30,000 Exchange Lines will be manufactured.

In the field of transmission equipment, the company is already producing single channel carrier systems and 30 such systems produced in the factory were sold during the period. A cheap type of 3 channel telephone carrier system was also developed. On this, field trials were recently completed and the manufacture of such systems is being taken up.

During the period the following major additions were made:—

- (i) Switch shop for the manufacture of most of the parts required in the Selector Switches;
- (ii) Die casting shop for non-ferrous castings; and
- (iii) Condenser shop.

Consequent on the increase of production activities as well as the assembly of Exchange Equipment, the value of production for stocks rose from Rs. 45,96,932 in the year 1952-53 to Rs. 1,32,18,588 in the year 1953-54. Similarly the value of finished goods produced for sale during the year also increased to Rs. 1,00,77,412 as against Rs. 51,61,726 in 1952-53.

The Company has recorded a fair progress in sales during the year making a total turn-over of Rs. 2,91,98,973 as against Rs. 1,91,23,278 for the last year resulting in a gross profit of Rs. 34,16,892 and a net profit of Rs. 11,89,928 as against Rs. 24,41,275 and Rs. 14,29,349 respectively during 1952-53.

In accordance with a recent decision of Government, industrial undertakings converted into joint stock companies should place advance deposits with the Director General, Indian Stores Department, London, and the India Supply Mission, Washington, to cover their purchases made through these organisations. The Indian Telephone Industry's purchases through these organisations amount to Rs. 25 lakhs per month and they require additional working capital to the extent of Rs. 84 lakhs during 1954-55 and Rs. 19 lakhs during 1955-56 to cover such purchases. As the company is not in a position to meet this liability from its own resources the funds so required will be made available to them in the form of loans. A provision of Rs. 19 lakhs has accordingly been made in the Budget Estimates for 1955-56.

CALCUTTA AUTOMATISATION SCHEME

A scheme for replacing the Manual Telephone system of Calcutta by 57,100 automatic lines was sanctioned by the Government in January, 1949 at a cost of Rs. 13.40 crores. The actual outlay upto the end of March, 1954 was Rs. 7.45 crores. The amounts likely to be spent on it during 1954-55 and 1955-56 are Rs. 2.20 crores and Rs. 1.50 crores respectively. Three automatic exchanges with an equipped capacity of 14,100 lines have already been cut into service. Another 12,300 lines will be cut in by July, 1955. Further work is progressing satisfactorily and the scheme is expected to be completed by 1958.

EXPANSION OF BOMBAY TELEPHONE SYSTEM

A scheme for expanding the Bombay Telephone system by 18,200 lines was sanctioned by the Government in March, 1950 at a cost of Rs. 3·16 crores. The scheme is being revised. It provides for replacement of 1,600 old lines which have served their useful life and installation of 16,400 new lines. About 7,900 lines have already been cut into service. The actual expenditure incurred upto March 1954 is Rs. 2·11 crores. The provision in the Revised Estimates 1954-55 is Rs. 42 lakhs and for the next year Rs. 34 lakhs.

HYDERABAD STATE EXCHANGE EXPANSION SCHEME

A scheme to instal 2,800 lines in Hyderabad was approved by the Government of Hyderabad at a cost of about Rs. 97 lakhs before the financial integration. This scheme was subsequently revised and approved by the Government of India at a cost of Rs. 102 lakhs. The total expenditure upto March, 1954 is Rs. 70 lakhs. The provision under this scheme for the current year in the Revised Estimates 1954-55 is Rs. 25 lakhs and for the next year Rs. 6 lakhs. Installation of auto equipment has commenced this year and is likely to be completed by 1955 when the target of 2,800 lines will be achieved.

MINISTRY OF FINANCE

COMMUNITY DEVELOPMENT PROGRAMME

The central object of the programme is to secure the fullest development of the material and human resources of rural areas. For the attainment of this object, the programme comprises intensive work for agricultural development, social education, improvement in the health of the population and introduction of new skills and new occupations so that the programme as a whole can lift the rural community to higher levels of organisation and arouse enthusiasm for new knowledge and new ways of life.

The development programme taken up on 2nd October, 1952, on a three-year basis comprises 55 projects. Each project comprises roughly about 300 villages with a population of about 2·90 lakhs and an area of about 450-500 sq. miles. The dimensions of a development block are a third of those of a project, three such blocks making a full project. These projects and development blocks have been spread throughout the country. The estimated ceiling expenditure on a rural community project of the basic type is Rs. 65 lakhs. It has now been decided to extend the three-year period upto one more year, without additional expenditure.

The total estimated cost of these 55 Community Development Projects envisaged under Indo-U.S. Operational Agreement No. 8, is \$8,671,000 and Rs. 34,38,34,000. The dollar portion of the cost will be contributed by the United States Technical Co-operation Administration in the form of equipment. Approximately 55 per cent. of this is expected to be given as loans to the State Governments. The rupee cost of the programme will be shared between the Central and State Governments.

The Central Government's share of the cost will be Rs. 32 crores roundly. A part of this amount which is spent on "self-financing schemes" like irrigation, reclamation, etc., is paid to the State Governments in the form of loans repayable in specified periods. The amounts so recovered will be credited to the Special Development Fund, to be utilised for further projects to be started later.

A supplementary programme in furtherance of the purposes and objectives of the development programme was taken up in October, 1953.

This programme comprises 55 blocks of rural development, which are located in selected areas in the different States. Each block comprises roughly 100 villages and a population of 66,000. The estimated ceiling expenditure on one block is Rs. 15 lakhs.

The total estimated joint cost of these additional development blocks is \$1,925,000 and Rs. 7,33,00,000. The dollar portion of the cost will be contributed by the United States Technical Co-operation Administration in the form of equipment. The rupee portion of the cost will be shared by the Government of India, and the State Governments in the same proportion as in the case of the expenditure under the main operational agreement. The share of the Central Government in the rupee cost is Rs. 5.75 crores.

NATIONAL EXTENSION SERVICE

In pursuance of the recommendations of the Planning Commission, a National Extension Service has been organised to cover about one-fourth of the country during the Plan period 1951—56. This would mean initiation of work in 1,200 Development Blocks, each block consisting of 100 villages and covering a population of about 66,000. The 55 Community Projects and the additional 55 Development Blocks taken up under the T.C.A. are regarded as equivalent to 300 Development Blocks under the revised expenditure pattern of Rs. 45 lakhs per project. The National Extension Service Programme, therefore, envisages the taking up of 900 blocks during the period 1953-54 to 1955-56. The estimated ceiling expenditure on one block is Rs. 7.5 lakhs. The scheme was taken up on 2nd October, 1953, and work in all the blocks is expected to start during 1955-56.

The total estimated cost of the National Extension Service Programme for three years is Rs. 38.25 crores, which will be shared between the Central and the State Governments. The Central share of the expenditure is estimated at Rs. 16.50 crores roundly.

It is also proposed that about 400 blocks should be chosen from the National Extension Service blocks for intensive development on the lines of the community development projects during the Plan period. Of these 150 blocks are proposed to be taken up during 1954-55. The additional expenditure on these 150 blocks will be the dollar equivalent of about Rs. 2.10 crores made available by the U.S. Government, and Rs. 15.75 crores in rupees of which the Central Government's share will be Rs. 13.23 crores.

MINISTRY OF FOOD AND AGRICULTURE

PURCHASE OF FERTILISERS

The Central Government is running a scheme for the purchase and distribution of Chemical Fertilisers with a view to popularise their use and make them available to the cultivators at reasonable rates in the interest of maximum agricultural production. The State Government's requirements of fertilisers are first collected and procurement and distribution planned accordingly. Of the Chemical Fertilisers, sulphate of ammonia is the most popular in the country and largely used by the cultivators.

The country's requirements of sulphate of ammonia in 1955-56 have been estimated at 6,35,000 tons. As the State Governments are expecting

a carry over of about 75,000 tons, the quantity to be procured during 1955-56 is 5,60,000 tons out of which 3,72,000 tons valued at about Rs. 10.39 crores would be available from indigenous sources. A quantity of 2,00,000 tons of sulphate of ammonia valued at Rs. 6 crores is proposed to be imported during 1955-56.

In order to popularise the use of urea and ammonium sulphate nitrate which are expected to be produced by M/s Sindri Fertilisers and Chemicals Ltd., it is proposed to import a quantity of 7,000 tons of urea and 4,000 tons of ammonium sulphate nitrate valued at Rs. 55.39 lakhs during 1955-56.

During the year a quantity of 20,000 tons of various kinds of fertilisers will be distributed free of cost to the State Governments etc. in order to test their utility on Indian soil under the "Demonstration Programme" of the Government of India. The net expenditure on this account which is estimated at Rs. 28.20 lakhs will be initially met from the Central Fertilisers Pool and subsequently reimbursed from the Special Development Fund.

As sulphate of ammonia is sold to the State Governments, etc. on freight paid up-to rail-head destination basis, provision for Rs. 1.65 crores has been made in the budget to meet the railway freight charges. Besides a sum of Rs. 30 lakhs has also been provided to meet the departmental expenses estimated during the year. As the scheme is run on no-profit no-loss basis the entire capital invested would be recovered from the consignees. A total provision of Rs. 19.18 crores has been made in the Budget Estimates for 1955-56.

In addition to the above it is proposed to procure 5,000 tons each of urea and ammonium sulphate nitrate under the Indo-U.S. Technical Co-operation Aid Programme, during the year 1955-56. Provision for Rs. 46.10 lakhs and Rs. 3.90 lakhs representing the dollar value of these fertilisers and incidental charges respectively has been made. A part of these fertilisers will be distributed free of cost for field demonstration and the rest will be sold to the State Governments etc. Recoveries from the Satte Governments and credits received from the "Special Development Fund", are estimated at Rs. 50 lakhs.

TUBE-WELL PROJECT

The Government of India have entered into an agreement with the Government of United States for the construction of 2,650 Production Tube-wells in various parts of the country. These when completed are expected to put under irrigation about 10.60 lakh acres of land and bring about 1.40 lakh tons of additional production annually. Under the T.C.A. agreement there is another scheme for the construction of 350 exploratory tube-wells in various parts of the country with a view to obtaining hydrological and geological data for sound and economical development of ground water resources in hitherto unexplored regions. All borings which will prove productive will be developed and transferred to the State Governments concerned and their cost will be treated as loan to the State on the basis of the normal cost of construction of such wells and the economic aspect of the project. Under the T.C.A. agreement on the Government of India will bear the rupee part of the expenditure on the project and the United States Government will provide the entire dollar expenditure

The expenditure incurred upto the end of 1953-54 under these projects is Rs. 3.18 crores. A provision of Rs. 7.14 crores has been made in the

Revised Estimates for 1954-55 and Rs. 11.22 crores in the Budget Estimates for 1955-56 which includes a provision of Rs. 2.5 crores for the project for 700 tube-wells mentioned below. For the Exploratory Project a provision of Rs. 80.22 lakhs in the Revised Estimates, 1954-55 and Rs. 2.43 crores in the Budget Estimates, 1955-56 has been made.

In order to maintain the tempo of tube-well drilling activities under the T.C.M. Production Tube-well Projects and also with a view to tackle other promising areas, construction of 700 tube-wells under the 'G.M.F. Programme' is being taken up during 1954-55 and will be continued in the next year also. These tube-wells, when completed, are expected to irrigate about 2.80 lakh acres of land and bring about an additional production of 42,000 tons annually.

The total effect of these and other state projects would be that under the Five Year Plan as against the target of 4,000 tube-wells, 5,600 tube-wells are expected to be constructed.

CENTRAL TRACTOR ORGANISATION

As a part of the "Grow More Food" Campaign, the Government of India decided to undertake reclamation of waste lands by means of heavy tractors. The Central Tractor Organisation was set up to undertake this work. The Central Tractor Organisation is to clear the bushes and trees and do the initial ploughing to a depth of 12" to 14". With about 100 of the old tractors taken over from the U.S. Army Disposals, the Central Tractor Organisation started work from 1947-48 and a total area of 1,96,991 acres was reclaimed by these tractors upto the year 1950-51 in the States of Madhya Pradesh, Punjab, Madhya Bharat, Bhopal and Uttar Pradesh. These old tractors were withdrawn after the close of operations in 1950-51 season as these had completed their useful life.

Encouraged by the success of the old tractors, renovated by Central Tractor Organisation, the Government of India negotiated and obtained a loan of 10 Million dollars from the International Bank for Reconstruction and Development for the purchase of machinery and equipment for further reclamation of areas infested with Kans weeds in Central India. With the help of this loan, 180 tractors were purchased in the year 1949. Out of these 180 tractors, 150 were earmarked for Kans reclamation and 30 for the pilot project of Jungle Clearance work.

60 more tractors were purchased during the year 1950-51 to accelerate the programme of reclamation of Kans land. To this fleet 30 more tractors were added during the year 1953, thus bringing the total fleet of new tractors with Central Tractor Organisation to 270.

Out of the total loan of \$10 Million originally contracted an amount of \$7,203,813.27 only had been utilised in connection with the purchase of machinery and equipment for Land Reclamation Scheme and the balance of the contracted amount was surrendered.

A total area of 10,29,923 acres of Kans land and 46,205 acres of jungle land has been reclaimed by the new tractors upto the season 1953-54 in the States of Madhya Pradesh, Madhya Bharat, Bhopal and Uttar Pradesh.

In all the Central Tractor Organisation has reclaimed about 1.2 million acres of Kans land (1.96 lakhs by old tractors and 10.30 lakhs by new tractors) and 46,000 acres of jungle land upto the end of season 1953-54 since its inception.

During the season 1953-54 ten tractors of the first fleet of 180 tractors and two tractors of the 30 numbers purchased during 1953 were sold to the State Governments for use in Bhopal and Andamans.

One Unit of 15 tractors has moved down to Assam for Jungle Clearance work and the work is anticipated to start immediately.

The Organisation has two workshops, one at New Delhi and the other at Bairagarh, for the repairs of tractors and equipments, which are of a special nature and for the manufacture of certain spare parts.

The additional yield per acre is estimated at 8 maunds per acre, for fallow land and 2 maunds per acre for prior cultivated land.

The latest audited accounts of the Organisation relate to the year 1952-53, which shows a net loss of Rs. 23,58,036.

A sum of Rs. 1.88 crores in the Revised Estimates 1954-55, and Rs. 1.72 crores in the Budget Estimates, 1955-56 has been provided for the Scheme.

SUGARCANE DEVELOPMENT SCHEMES

The target of sugar production was fixed at 15 lakh tons under the First Plan. So far as sugarcane was concerned, the target of additional production was fixed at 7.03 lakh tons in terms of gur, of which 5 lakh tons was to be obtained by increasing the area under cane from 42 to 45 lakh acres and the balance through intensive cultivation. In order to achieve this target the Five Year Sugarcane Development Schemes in States which started in the year 1948-49 were extended for another three years *viz.* 1953-54, 1954-55 and 1955-56 to co-terminate with the First Five Year Plan at an estimated cost of Rs. 1 crore by way of subsidy and loans to the State Governments.

The Schemes are at present running in the State of PEPSU, Punjab, Uttar Pradesh, Bihar, West Bengal, Bombay, Madras, Andhra, Travancore-Cochin, Ajmer and Bhopal. Under the schemes subsidies are granted to the States for the implementation of the scheme generally on 50 : 50 basis.

The Development Scheme generally consists of following items which are entitled to subsidy from the Central Government:—

1. Supply of disease free seeds.
2. Supply of ammonium sulphate and other fertilisers.
3. Provision of technical personnel.
4. Setting up demonstration farms to encourage farmers to take up latest method of cultivation.
5. Soil extension service.
6. Intensive compost drive.
7. Protection against pest and diseases;
8. Award of prizes.

For irrigation facilities only loans are granted.

A sum of Rs. 20.15 lakhs—10 lakhs as grants and Rs. 10.15 lakhs as loans—has been provided in the Budget Estimates for 1955-56.

CONSTRUCTION OF A LABORATORY AND INSTALLATION OF A GAS PLANT AT THE SUGARCANE BREEDING INSTITUTE, COIMBATORE

The Sugarcane Breeding Institute is engaged in introducing new varieties of sugarcane, which are disease and insect pests resistant and give higher yield of sugar per acre. In order to carry out sugarcane research schemes in the institute, it is necessary to have a full fledged

laboratory at the institute and to have a gas plant for the laboratory. The construction of the laboratory is in progress and is estimated to cost about Rs. 7 lakhs. A provision of Rs. 4.23 lakhs has been made in the Budget Estimates for 1955-56 for this purpose.

CONSTRUCTION OF SUGAR AND SUGARCANE RESEARCH INSTITUTES

The Indian Institute of Sugar Technology is at present housed in the building of Harcourt Butler Technical Institute, Kanpur which belongs to the U.P. Government. The Indian Central Sugarcane Committee had previously decided to set up a joint Institute of Sugar and Sugarcane Research at the Bhadrak Farm which they acquired from the Defence authorities for the purpose at a cost of about Rs. 11 lakhs. It has now been decided to have a separate building for the Indian Institute of Sugar Technology at Kanpur and a separate building for Sugarcane Research Institute at Lucknow. A sum of Rs. 50 lakhs, out of the Temporary Sugar Excise Fund, has been earmarked for the construction of these buildings. The Government of Uttar Pradesh have also agreed to provide 34 acres of land adjoining the H.B.T.I., Kanpur and another 20 acres from the Development Board Kanpur at a concessional price of Rs. 2.5 lakhs.

MINISTRY OF HEALTH

NATIONAL MALARIA CONTROL PROGRAMME

The First Five Year Plan of the Central Government includes provision for a National Malaria Control Scheme, at a cost of Rs. 10 crores, (excluding the share of the State Governments' expenditure) during the three-year period from 1953-54 to 1955-56. The scheme was originally designed to provide a Malaria Control Programme for India, on a nationwide basis so as to protect a population of about 125 million, residing in malarious parts, by the establishment of 125 Malaria Control Units. The measures contemplated are residual indoor spraying of houses with D.D.T. and treatment of malaria cases in order to reduce the reservoirs of infection. During the period of the scheme, the Technical Co-operation Administration are providing assistance in the form of D.D.T., equipment, and transport which are being received by the Government of India and supplied to the participating States free of cost. The Government of India are, in addition, incurring expenditure on customs duty and on free supply of anti-malaria drugs, as well as D.D.T. which is likely to be produced in the Government D.D.T. Factory from March, 1955. The State Governments have appointed the necessary staff and are carrying out the scheme under the over-all guidance of the Malaria Institute of India, Delhi. After the operational period of three years, the State Governments are expected to continue the programme on such lines as may be deemed necessary. During 1953-54, 90 units were formed in the various States and those have been increased to 136 units in 1954-55, which are to be continued throughout 1955-56. The number of such units earmarked for each State, is dependent upon the size of the State, population at risk in the State, and the financial capacity of the State. A standard unit is designed to protect a population of one million people, who run the risk of getting malaria. The actual areas in which the units are operating have been selected by the States themselves. Officers of the Malaria Institute of India have visited almost all the States to assist in the implementation of the Programme along the scheduled lines and to provide over-all supervision. All the States are participating in the Scheme. It is proposed to extend the scheme to the North East Frontier Agency and also to the Andaman and Nicobar Islands. A provision of

Rs. 2·52 crores has been made for revenue expenditure in the Budget Estimates for 1955-56.

NATIONAL FILARIA CONTROL SCHEME

With the object of setting up a demonstration project for the control of the infection of filariasis in 13 States, where filaria is a problem, the Government of India, in consultation with the Technical Co-operation Administration, have drawn up a National Filaria Control Scheme to operate for two years 1954-56. During the period of the Scheme, there will be 13 control units and 27 survey units in operation in 13 States. So far 12 States have agreed to participate in the scheme and 12 control units and 22 survey units have been allotted to them during 1954-55. T.C.A. assistance in the shape of Diethylcarbamazine tablets, transport, sprayers, microscopes and insecticides will be made available free of cost to the States as soon as they are received; larvicides and stirrup pumps will also be supplied free of cost by the Government of India. The remaining expenditure on the implementation of the programmes, operational cost, salaries of staff, customs duty, etc. will be entirely borne by the State Governments.

For the purpose of this Scheme a total provision of Rs. 1·1 crores has been included in the First Five Year Plan. A provision of Rs. 25·29 lakhs has been made for revenue expenditure in the Budget Estimates for 1955-56.

CINCHONA CULTIVATION

Before the war India imported large quantities of quinine every year. After the fall of Java in 1943, imports from that source suddenly stopped. Then it became necessary for Government, not only to make purchases of quinine substitutes from U.K. and U.S.A., but also to explore means of augmenting quinine supply as quickly as possible in the country by stepping up indigenous production. With this end in view, the Government of India, in collaboration with the Governments of West Bengal and Madras undertook a scheme of cinchona cultivation by a special method which would make it possible to produce quinine within three years although at a comparatively heavier cost as against the normal period of about 12 years. The Governments of Madras and West Bengal undertook to provide the services of the permanent technical staff and such other facilities as did not involve any extra expenditure to them. The areas planted under the scheme in Bengal and Madras are 961 and 3,703 acres respectively. Further planting under the scheme was discontinued in Bengal and Madras from 1946 and 1947 respectively.

The scheme was started essentially as an insurance against grave anticipated shortage of the vital drug during war time. The war, however, ended earlier than anticipated and the quinine situation eased with the end of the war. It was, therefore, decided to allow the plants in Madras to remain for a period of 10 years instead of 3 years as originally contemplated so that we could get a much larger yield of quinine from the plants. In West Bengal, however, the scheme proved a failure as the plantations could not be worked satisfactorily and harvesting had been completed. It would be financially unsound at this stage to wind up the scheme which has to be continued until all the plants in Madras have been harvested and processed for obtaining quinine salts.

The expenditure incurred on the scheme upto 1953-54 is about Rs. 99 'akhs as payments to Madras and West Bengal Governments who have managed the plantations on behalf of the Government of India. Against 102 M. of F.

this expenditure only a small amount of about Rs. 14,000 has been recovered by the sale of cinchona bark in West Bengal. The plantations in West Bengal have been harvested completely. There is at present a stock of about 4½ lakhs pounds of bark besides a little quantity of stems, leaves etc. obtained from this harvest. In view of the poor demand for the bark in the market, the question of processing it for quinine is under consideration. Harvesting of plants in Madras will be completed in stages by 1956-57 and it will take another year to complete the conversion of the bark into quinine. The financial results of the scheme as a whole will be known only thereafter in the light of the then prevailing price of quinine and the demand for it.

A provision of Rs. 4 lakhs has been included in the Budget Estimates for 1955-56.

MEDICAL STORE DEPOTS

The Medical Stores Organisation has been in existence for the last fifty years. It was under the control of the Army authorities till 31st May, 1943 when it was transferred to the Department of Education, Health and Lands on the 1st June, 1943.

This organisation consists of four Medical Store Depots at Madras, Bombay, Calcutta and Karnal. At each of the Medical Store Depots at Madras and Bombay there is a factory for the manufacture of drugs, tinctures, tablets, etc. The Medical Store Depots supply drugs, instruments, appliances, sundries, etc. both for human and veterinary use of uniform quality and pattern at cheap rates to medical institutions in India which are enrolled as indentors. Apart from this, these Medical Store Depots have played an important part in meeting special demands for medical stores in connection with relief measures necessitated by floods, famine, earthquakes and other calamities. The number of indentors at present is about 7,000.

The Medical Stores organisation has after coming under the control of the civil authorities made a profit of Rs. 1,87,88,317 upto the 31st March, 1953. This profit does not represent the true state of affairs as it is mainly the result of an increase in the value of stocks and not an income realised from sales alone. The policy of Government is to run the Medical Store Depots on a 'no profit no loss' basis. A departmental charge of 20 per cent. is levied on all issues from the Depots to indentors to cover the overhead expenditure.

A provision of Rs. 1·47 crores has been included in the Budget Estimates for 1955-56.

ESTABLISHMENT OF THE ALL-INDIA INSTITUTE OF MEDICAL SCIENCE

It has been decided to establish in the Safdarjang area, New Delhi, an All-India Institute of Medical Sciences at an estimated cost of Rs. 4·8 crores non-recurring and Rs. 1·3 crores recurring. The Institute will comprise a Medical College, a Dental College, a Nursing College, a Post-graduate Teaching Centre, a 650 bedded Hospital and Rural and Urban organisations to provide Centres for field work. Accommodation for staff and students and amenities for community life will be provided. The development of land for the Institute and construction of some staff quarters is in progress. According to present programme the ground and first floors of the pre-clinical block as well as the main R.C.C. frame work and slabs for the second and third floors will be ready by the end

of May, 1956. If the work proceeds according to schedule, the first batch of students may be admitted in August, 1956. A professor in Orthopaedic Surgery has been recruited and it is proposed to start post-graduate training in Orthopaedic Surgery next year. A provision of Rs. 42.68 lakhs has been made for revenue expenditure in the Budget Estimates for 1955-56.

The Government of New Zealand have promised assistance under the Colombo Plan to the extent of one million pounds for the scheme and out of this they have paid one instalment of £250,000.

NATIONAL WATER SUPPLY AND SANITATION SCHEME

The Ministry of Health have formulated a National Water Supply and Sanitation Scheme, which envisages financial assistance to State Governments (i) by way of loans to the extent of Rs. 12 crores for their *urban* water supply and drainage schemes and (ii) on grant basis to the extent of Rs. 6 crores for their *rural* water supply and sanitation schemes during the years 1954-55 and 1955-56. A sum of Rs. 6 crores has been provided in the Budget Estimates, 1955-56 for loans to the State Governments for their urban water supply and drainage schemes and Rs. 4.50 crores as grants to State Governments for their rural water supply and sanitation schemes.

A provision of Rs. 45 lakhs has also been made in the Budget Estimates for 1955-56 on account of equipment etc. to be received from the Technical Co-operation Administration under the National Water Supply Sanitation Programme.

MINISTRY OF INFORMATION AND BROADCASTING

During the year 1954-55, 50 K.W.M.W. transmitters each at Bombay, Ahmedabad and Jullundur have gone on air.

A sum of Rs. 399.73 lakhs has been provided in the Budget Estimates for 1955-56 for All India Radio. The major projects for which provision has been made include installation of 100 K.W.S.W. transmitters each at Delhi, Madras, Bombay estimated to cost Rs. 97.76 lakhs; 50 K.W.M.W. transmitters each at Bangalore, Lucknow and Calcutta estimated to cost Rs. 10.97 lakhs; 20 K.W.M.W. transmitters each at Ajmer, Delhi, Indore, Madras, Trichur, Cuttack, Patna, and Vijayawada estimated to cost Rs. 57.61 lakhs; two 20 K.W.S.W. transmitters at Delhi estimated to cost Rs. 10.18 lakhs and one 10 K.W.S.W. transmitter at Gauhati estimated to cost Rs. 6.18 lakhs; permanent studios at Madras, Gauhati and Calcutta estimated to cost Rs. 33.11 lakhs. The balance is required for starting work on minor works and providing additional facilities at various stations. The construction of buildings for the transmitters at most of these places is in progress.

The above projects when completed will improve considerably the internal as well as external broadcasting services. The number of licences is also expected to increase appreciably with the improvement in service in India as a result of these projects.

MINISTRY OF IRRIGATION AND POWER

BHAKRA NANGAL PROJECT

With its 680 feet high dam, which is the largest straight gravity dam in the world, 650 miles of canals and over 2,000 miles of distributaries, the Bhakra Nangal Project is the largest multi-purpose project in India. The Bhakra Dam is being constructed across the river Sutlej in a natural

gorge just before the river enters the plains. The Nangal Dam is located 8 miles downstream and will form a balancing reservoir to take up diurnal variations of water released from Bhakra and thus ensure steady supplies. There will be two Power Houses on Nangal Canal each containing 2 units of 24,000 KW.

Construction of the Project started in 1946. According to the latest report, the Right and Left Diversion Tunnels have been completed. The river is now flowing through the Right Diversion Tunnel. The excavation for the main Coffer dams upstream and downstream has been taken in hand. Good progress is being maintained on the work of excavation of foundations for the main dam. The Nangal Dam and Nangal Hydel Channel have been completed. The Bhakra Main Line and branches were opened for non-perennial irrigation in July, 1954. The power House No. 1 at Ganguwal has been put into commission in January, 1955 and the Power House No. 2 at Kotla is expected to be put into commission in December, 1955. At Rupar, the Headworks has been completed except for the installation of gates and gearing. Earthwork and masonry work on the remodelling of Sirhind canal and branches has also been completed except for work below water in the main line.

The perennial irrigation will start from 1959 when the Bhakra Dam will be completed. On completion of the Project 30 lakhs acres of additional land in Punjab, PEPSU and Rajasthan will be under crop each year and 37·24 lakhs acres will get increased water supply; and the project will produce 11 lakhs tons of additional wheat and other foodgrains, 8 lakhs bales of cotton, 5 lakhs tons of sugarcane, 1 lakh tons of pulses and oil seeds.

According to the latest Project report the Project is estimated to cost Rs. 159 crores. An expenditure of Rs. 93·23 crores has been incurred upto the end of November, 1954. A provision of Rs. 22·28 crores has been made in the Budget Estimates for 1955-56. The Project is being executed jointly by the States of the Punjab, PEPSU and Rajasthan, each State being responsible for and having administrative control over works falling within their respective territory. Funds to the extent required are advanced by the Central Government to the State Governments concerned in the shape of interest bearing loans.

A Control Board having the Governor of Punjab in his personal capacity as Chairman and including representatives of the Centre and the States of Punjab, PEPSU, Rajasthan and Himachal Pradesh is in overall charge of the Project including its technical and financial aspects.

HARIKE (FEROZEPUR CANALS) PROJECT

The project has been completed. A provision of Rs. 43 lakhs has been included in the Budget Estimates for 1955-56 to meet the expenditure on the acquisition of land for the pond area, replenishing stone aprons and construction of residential quarters for the maintenance staff. The land acquisition charges for the Ferozepur Feeder are also expected to be paid in 1955-56.

DAMODAR VALLEY PROJECTS

The Damodar Valley Corporation has entered upon the seventh year of the construction programme. The salient features of the Damodar Valley Projects and the up-to-date progress are given below:—

Bokaro Thermal Power Station.—Three units of 50,000 K W. each have been brought under commercial operation and power is being distributed through the Damodar Valley Corporation grid to various bulk consumers

in Bihar and West Bengal. The question of the installation of the fourth set of 50,000 KW. is under the consideration of Government.

Transmission System.—Out of 503 miles of transmission lines and 32 sub-stations and receiving stations, 350 miles of transmission lines and 13 sub-stations and receiving stations have been completed. The project is scheduled to be completed by 1955-56. The extension of transmission lines to supply power to Calcutta, Gaya, Patna and Dalmianagar costing Rs. 6·41 crores, was sanctioned in June, 1954. The work has been taken in hand.

Tilaiya Project.—This project consists of a concrete gravity type dam 1147 ft. long with a maximum height of 99 ft. above the river bed and a power house with a capacity of 4,000 KW. Both the dam and the power house have been completed. The water released by the reservoir will provide *rabi* irrigation for 75,000 acres and *kharif* irrigation for 24,000 acres. The generating plants are in operation.

Konar Project.—The dam with a maximum height of 160 ft. above river bed and about 910 ft. in length was completed in May, 1954. The under-sluice gates will be installed by June, 1955. The question of generating hydro-electric power at this site (40,000 KW) is under the consideration of Government.

Maithon Project.—This project is intended primarily for flood control and irrigation. Work has commenced on this project and the dam is expected to be completed by June, 1955. Work on the hydro-electric station (60,000 KW capacity) has also commenced.

Panchet Hill Project.—Like Maithon, this project is also intended primarily for flood control and irrigation. The work on the dam is expected to be completed by June, 1956. The power house (40,000 KW. capacity), is expected to go into operation by 1957-58.

Durgapur Barrage and Irrigation Canals.—This project will consist of a barrage in cement concrete at Durgapur, 2,271 ft. long and 38 ft. high, 83 miles long irrigation-cum-navigation canal on the left bank, 40 miles long irrigation canal on the right bank and 1,430 miles of other canals, branches, distributaries, etc. Work on the barrage and canals is being carried out simultaneously with the work on Maithon and Panchet Hill dams so that the irrigation waters can be utilised as soon as the reservoirs are ready. Arrangements are being made for distribution of water to an area of about 1,00,000 acres during the ensuing *kharif* season. The barrage including the bridge over it is expected to be completed by the end of 1955 and the canal system including the navigation canal by the middle of 1957. On completion, irrigation will be provided to an area of about 10,26,000 acres of land and the navigation facilities would ultimately afford carriage of 20,00,000 tons of goods.

According to the latest indications the total cost will be about Rs. 98·57 crores inclusive of Rs. 6·41 crores for the extension of the transmission lines to supply power to Calcutta, Gaya, Patna and Dalmianagar. The expenditure incurred upto the end of 1953-54 amounted to Rs. 57·39 crores. The revised estimated expenditure for 1954-55 is Rs. 16·24 crores and a provision of Rs. 18·7 crores has been made in the Budget Estimates for 1955-56.

Power Development.—The operational phase of the Damodar Valley Project virtually began in January, 1952, when the distribution of Sindri Power from the Damodar Valley Corporation's own grid commenced. The present load on the Damodar Valley Corporation grid is 36,000 KW. Agreements were signed with the Calcutta Electric Supply Corporation

for the supply of 45,000 KVA initially and with the Bihar Government for supply of power at Digwadh and Ramgarh. The Corporation has concluded agreements for a total supply of 114,200 KVA and has entered into firm commitments for another 112,900 KVA.

Developmental activities.—The Corporation have also undertaken certain developmental activities which include schemes on afforestation, soil conservation and small industrial developments. The Government of India have already approved three such industries, e.g. lock manufacture, cold storage industry and Central finishing workshop for hand-forged items. Anti-erosion measures like small dams, re-afforestation in the upper catchment of the Damodar and allied conservation measures are also in hand.

HIRAKUD DAM PROJECT

The Hirakud Dam Project in the Orissa State, which involves the construction of the longest dam in the world consists of a concrete-cum-masonry-cum-earth dam across the Mahanadi river 9 miles upstream of Sambalpur, with canals for irrigation taking off from the reservoir on both sides and hydro-electric installations. The concrete section of the dam will be 200 ft. high over the deepest foundation and the earth section 195 ft. high at the deepest river bed. The main dam will be 3 miles long with 12·8 miles of low earthen dykes on both sides. Due to paucity of funds the Project has been divided into two stages. The first stage which is under execution comprises the main dam and dykes, a power house and 454 miles of transmission lines along with canals for irrigation in Sambalpur and Bolangir-Patna districts and will, apart from achieving complete flood control, enable full irrigation of 4,48,600 acres with 100 per cent. kharif intensity and 48 per cent. rabi intensity and generation of 1,23,000 KW. of installed capacity (85,500 KW. firm capacity).

The second stage consists of development of further power by utilising the tail race waters of the main power house and irrigation in the Delta area. Schemes have been drawn up and are at present under scrutiny.

The revised estimate for Stage I sanctioned by the Government in consultation with the Hirakud Control Board, and the Government of Orissa, works out to Rs. 70·78 crores.

The Government of India are executing the project on behalf of the State Government. With effect from May, 1952 a Control Board with the Chief Minister of Orissa as Chairman has been set up to be in overall charge of the project under the general supervision of the Government of India.

Construction of the Project started in 1946. All preliminary works including residential colonies, a rail-road bridge over the Mahanadi have been completed. Work has been done to the extent of 63 per cent. on concreting, 66 per cent. on masonry, and 56 per cent. on earthwork on the main dam, 75 per cent. on dykes and 87 per cent. on the main canal and branches and 31 per cent. on distributaries.

Detailed route survey including plotting of tower locations of all 132 KV. and 66 KV. lines from Barajamda to Rairangpur is complete. The erection of the 132 KV. single circuit lines between Hirakud and Rampur and between Rajgangpur and Barajamda has been taken up. In the Rajgangpur-Rourkella section, 40 towers have been erected to full height and another 42 towers upto the painted portion. Other works on the transmission system are proceeding according to programme. About 90 per cent. of the materials for grid sub-stations have already been ordered. 66 K.V. sub-station equipment have partly been received at site.

In regard to the main power house orders for all the necessary material and equipment including the two 24,000 KW. sets and two 37,500 KW. sets have been placed. In regard to 24,000 KW. sets, more than 75 per cent. of the material has been received at site. The draft tube for one of these has been completed at the site and the other draft tube is nearing completion. Erection of penstock liners for these units has been done to the extent of 90 per cent. For the two 37,500 KW. sets, the draft tube bends have been erected and handed over for concreting. 90 per cent. of the penstock erection work has been done and one penstock is being concreted. The retaining wall for the switchyard is almost complete and work on the excavation for foundation of switchgear is in progress.

The dam is expected to be substantially completed and power and irrigation water made available by August, 1956.

An expenditure of Rs. 37.21 crores has been incurred upto the end of December, 1954. A provision of Rs. 17.38 crores has been made in the Budget Estimates for 1955-56. Interest bearing loans are advanced by the Government of India to the Government of Orissa to meet the entire cost of the Project.

NEW RIVER PROJECTS

A provision of Rs. 8.5 crores has been made in the Revised Estimates for 1954-55 and of Rs. 26 crores in the Budget Estimates for 1955-56 for the five new multi-purpose projects, namely, Kosi, Koyna, Krishna, Chambal and Rihand. Present position in respect of these projects is briefly indicated below:—

Kosi

The project which is being executed by the Government of Bihar has been approved at an estimated cost of Rs. 42.5 crores. The project when completed will provide irrigation to 14 lakh acres of land besides protection against floods.

Work has commenced on the project. The execution of the Project is in the over-all charge of a Control Board with the Chief Minister, Bihar as its Chairman. The Board includes representatives of the Central Government.

Koyna

The Koyna Hydro-electric Project (Stage I), which is being executed by the Government of Bombay, is estimated to cost Rs. 33.22 crores. The Project consists of a storage reservoir constructed by a concrete-cum-masonry dam across the Koyna, an underground power house capable of generating 2,40,000 KW. of power at 60 per cent. load factor and the necessary transmission and distribution system. 2,30,000 KW. of power will be supplied to the Bombay-Poona area which is experiencing acute shortage of power and 10,000 KW. to the adjoining areas in Maharashtra for industrial development.

The Project was inaugurated in January, 1954. Preliminary works are in hand. Contracts for the major elements are expected to be finalised during 1955-56. According to the present construction programme, the first block of power is expected to be transmitted just after the monsoon season of 1960.

A Control Board, which includes the representatives of the Central and State Governments, has been set up to in over-all charge of the Project.

Chambal

The Chambal Project (Stage I), which is being executed jointly by the Governments of Rajasthan and Madhya Bharat, is estimated to cost Rs. 48 crores and consists of:—

- (i) The Gandhi Sagar Dam across the Chambal at the boundary of Madhya Bharat and Rajasthan with a reservoir capacity of 5.73 million acre-feet;
- (ii) A power station at Gandhi Sagar Dam to accommodate three units of 23,000 KW. each;
- (iii) 772 miles of transmission lines; and
- (iv) A barrage across the Chambal above Kotah City with canals taking off both sides of the river for the irrigation of 7 lakhs acres in Rajasthan and 7 lakhs acres in Madhya Bharat.

Excavation of foundations for the Gandhi Sagar Dam was started in January 1953 and preliminary arrangements such as construction camps, access roads, collection of tools and plants, etc. are well under way. Detailed drawings for the barrage and canal system and the lay-out and design of the power station have been prepared.

Rihand

The project, which is being executed by the Uttar Pradesh Government, is estimated to cost Rs. 335.21 crores and consists of:—

- (i) A concrete gravity dam across the Rihand near village Pipri in Uttar Pradesh;
- (ii) A power house designed to house 6 generating units of 40,000 KW. each, one of which will be kept as a stand-by; and
- (iii) The necessary transmission system.

The Power will be utilised for pumping water from 4,000 tube-wells for irrigation of 16 lakhs acres in Uttar Pradesh and 5 lakhs acres in Bihar and for industrial advancement of the eastern districts of Uttar Pradesh.

Preliminary work on the scheme commenced in December, 1947 but was slowed down in October, 1949 due to the urgent necessity of concentrating on short term food producing schemes. Work was resumed in October, 1951. Land has been acquired for the construction of a colony. Drilling of foundation rock and detailed investigations of the quarry for concrete aggregate have been completed. Work of excavation of abutments of dam, switchyard and spillway is in progress. Construction of roads and temporary buildings in the colony area is making good progress. The civil works on the project are expected to be completed by 1960.

A Control Board for the project has been set up by the Uttar Pradesh Government and representatives of the Central Government are included therein.

Krishna

The approval of the Government of India to the execution of the Nandikonda Project is expected to issue shortly.

DELHI STATE ELECTRICITY BOARD

The Board is engaged in strengthening the distribution system in Delhi with a view to the utilisation of power that will be made available

from Bhakra Nangal Project about the end of March, 1955 and extending supply to certain newly developed areas in the State.

The capital expenditure of the Board is financed by the Central Government by advancing interest bearing loans. Total loans granted to the Board upto the end of 1953-54 amounts to Rs. 5·65 crores, which includes the loan granted to the late Delhi Central Electricity Power Authority Ltd.

Against the provision of Rs. 80 lakhs in the budget grant for 1954-55, the Board will be able to utilise Rs. 40 lakhs only in view of improvement in their own ways and means position. A sum of Rs. 50 lakhs has been provided in the Budget Estimates for 1955-56.

EXPANSION OF POWER FACILITIES FOR INCREASING EMPLOYMENT OPPORTUNITIES

The programme of expansion of power facilities for increasing employment opportunities in various States has been approved by the Planning Commission by adjustment in the Five Year Plan. This programme relates to small town and rural electrification in the States on a limited basis. A provision of Rs. 2·2 crores has been made in the Revised Estimates for 1954-55 and of Rs. 10 crores in the Budget Estimates for 1955-56. Loans are granted to the State Governments in order to re-imburse to them the entire expenditure incurred on the approved schemes in 1954-55 and 1955-56. These loans are re-payable over a period of 30 years.

PROGRAMME OF PERMANENT IMPROVEMENTS FOR SCARCITY AREAS

A provision of Rs. 40 crores was included in the First Five Year Plan by adjustment for the development of the chronic scarcity areas in the country by providing irrigational and other facilities. The schemes included in the programme are such as would be executed during the Plan period and yield quick results. An additional area of 1·5 million acres is proposed to be brought under irrigation of which one million acres are likely to be irrigated during the Plan period.

The loans are advanced to the State Governments to meet the entire expenditure on the schemes. These loans are repayable in a period of 30 years.

Loan assistance was given to the extent of Rs. 3·6 crores in 1953-54. The Revised Estimate for 1954-55 is about Rs. 13·8 crores and a provision of Rs. 18 crores has been made in the Budget Estimates for 1955-56.

FLOOD CONTROL

Floods, on an unprecedented scale, occurred in various parts of the country during the 1954 monsoon, causing extensive damage to life, property and communications. The devastation caused, especially in the North-Eastern region, was so alarming that Government decided to tackle the question of flood control measures on a war footing. Control Boards have been set up in the affected States, namely, Assam, Bihar, Uttar Pradesh, West Bengal, Jammu and Kashmir, Punjab, PEPSU, to formulate schemes for emergent and immediate measures and for long-term planning. Technical Committees have been attached to these Boards. Two River Commissions—one for the Brahmaputra basin and the other for the Ganga basin have also been constituted. Another River Commission for the North-Western region consisting of Punjab, PEPSU and Jammu and Kashmir will be set up shortly. The Central Flood Control

Board will be responsible for considering schemes prepared by the State Flood Control Boards and drawing up a National flood control programme having regard to available finances and technical personnel. Plans for the protection of two towns of Dibrugarh and Sualkuchi in Assam and five towns of Alipurduars, Jalpaiguri, Cooch Behar, Mathabhaanga and Siliguri in West Bengal, have been drawn up and the work has been taken in hand. Work on flood control Schemes in Uttar Pradesh and on the Kosi Project in Bihar is also in progress.

For rendering secretarial assistance to the Central Flood Control Board and the River Commissions and technical advice to the State Governments for preparation of schemes and their scrutiny, a Flood Wing has been added to the Water and Power Commission.

An amount of Rs. 2·5 crores is expected to be spent during 1954-55 on emergent works. A provision of Rs. 10 crores has been made in the Budget Estimates for 1955-56 for assistance to the States.

MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH INDIAN SCHOOL OF MINES AND APPLIED GEOLOGY, DHANBAD

The Indian School of Mines and Applied Geology, Dhanbad is an institution directly under the Central Government and trains mining engineers and applied geologists. It also provides facilities for post-graduate research work in mining and geology. With the increasing industrialisation and mechanisation of the mining industry and with changing conditions of mining, new equipment, etc. are required to keep the institution up-to-date and promote the country's industrial development.

A sum of Rs. 4·39 lakhs has been provided in the Budget Estimates for 1955-56 for this purpose.

EQUIPMENT FOR THE GEOLOGICAL SURVEY OF INDIA AND THE BUREAU OF MINES UNDER TECHNICAL CO-OPERATION PROGRAMME

The principal concern of the Geological Survey of India is geological mapping and mineral exploration, investigation of ground water, examination of dam sites and other engineering aspects of geology.

Under Operational Agreement No. 26, it is proposed to provide the Geological Survey of India with geo-physical, petrological and mineralogical equipment to assist in equipping its laboratories for work in these fields. It is further proposed to provide equipment to the Geological Survey of India to assist it in making systematic and detailed investigations and surveys to determine India's reserve of important minerals and to carry out investigations on the best possible use of low grade ore, with a view to conserving the rather limited supplies of high grade ore. A provision of Rs. 11·95 lakhs has been made in the Budget Estimates for 1955-56 for this purpose.

The duties of the Bureau of Mines include the inspection of mines for the improvement of mining methods and the conservation of minerals, proving and the estimation of reserves by detailed prospecting and drilling collection and dis-semination of detailed statistics of the mineral industry, advising the Government on all matters relating to development of minerals and grant of mineral concessions, undertaking research for the utilisation of low grade minerals and recovery of useful constituents and upgrading of minerals. A provision of Rs. 16·19 lakhs has been made for obtaining the equipment under T.C.A. Programme in the

Budget Estimates for 1955-56 in connection with the Bureau's programme of work for the beneficiation of low grade manganese ore and chrome ore.

OIL EXPLORATION SCHEME

The Government of India have entered into an agreement with the Standard Vacuum Oil Company of America for the joint exploration for petroleum and production of petroleum, if it is discovered in commercial quantities in West Bengal. The Government of India and the Standard Vacuum Oil Co. have agreed to contribute jointly to the funds required for the operation. The Government will provide one-fourth of the expenditure and the Standard Vacuum Oil Company will contribute the balance. The aggregate contribution of the Government will not, however, exceed Rs. 2.50 crores unless the Government wishes to provide further contribution towards the continued expenditure for the project. For the year 1955-56 a sum of Rs. 29 lakhs has been provided for the anticipated contribution by the Government towards this Scheme.

COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH

The total estimated expenditure approved in the Plan for development projects including pilot plants of the Council of Scientific and Industrial Research comes to Rs. 726.57 lakhs. Out of this, Government's net contribution would amount to Rs. 646.66 lakhs and the balance is to be met out of donations, etc. from industry. Up to the end of 1953-54 a sum of Rs. 372.75 lakhs was paid by Government to the Council. A sum of Rs. 30 lakhs has been paid up to the end of December, 1954. For the year 1955-56 a sum of Rs. 79 lakhs has been provided in the Budget which will be utilised to complete the constructive work of the National Laboratories/ Institutes and purchase of pilot plants, etc. for the Council of Scientific and Industrial Research.

MINISTRY OF PRODUCTION HINDUSTAN STEEL LIMITED

Following the agreement between the Government of India and the German Combine of Krupps and Demag a company under the style of 'Hindustan Steel Limited' was promoted on the 21st December, 1953 with an authorised capital of Rs. 100 crores and an issued and paid up capital of Rs. 5 lakhs, of which Rs. 4 lakhs were contributed by the Government of India, and Rs. 1 lakh by the German Combine. Subsequent issue of share capital is to be made with reference to the progress of expenditure to preserve the ratio of 4:1 in the share holding between the Government and the Combine. The contribution of the German Combine in the shape of equity investment is expected to be approximately Rs. 9.5 crores, the precise amount of the investment being related to the value of the plant and equipment which they supply. The purchase of plant and equipment will, however, be by global tenders. The German Combine will act as the Technical Consultants for the designing and erection of the works and will also be in general charge of construction. For their services as Technical Consultants, they will receive a fixed fee of Deutsch Marks 18.9 million (Rs. 2.10 crores) in addition to actual expenses in India which is subject to a ceiling of Rs. 70 lakhs.

Pending receipt of the final project report from the German Combine, preliminary work of setting up the steel plant is under way at the selected site, namely, Rourkela. A contour survey of the area around Rourkela has been made, the bearability tests of the soil have been carried out and work in connection with the construction of some of the buildings for the townships has commenced. In order to enable the Hindustan Steel

Ltd. to meet the expenditure on the construction of buildings, acquisition of land etc. they have been given a loan of Rs. 1 crore during the year 1954-55.

A provision of Rs. 5 crores each for share capital and loans has been made in the Budget Estimates for 1955-56. The amount provided for share capital is expected to be required to finance purchase of machinery and plant and the loan provision is intended to be advanced to the Company to enable them to meet the expenditure on town planning and construction of buildings, technical personnel to be sent abroad, monthly instalments of fees to the German Combine, etc.

NAHAN FOUNDRY LIMITED

Nahan Foundry Limited, Nahan (Himachal Pradesh), was incorporated on the 20th October, 1952 and the Government of India transferred the Nahan Foundry to the Company as from 1st January, 1953. It is being managed by a Board of Directors appointed by the President, who holds all the shares of the Company of the value of Rs. 40 lakhs.

The foundry manufactures agricultural implements mainly cane crushers. Due to poor cane crop and severe competition during 1952-53 the production of cane crushers was cut down to 1,500 per year from the normal production of 3,000 per year and the manufacture of new items such as centrifugal pumps, paddy thrashers, etc. was taken up. Recently the foundry has started manufacture of cast iron anchor plates and non-ferrous articles for the Railways and some minor items for the P. & T. Department. To comply with the expected orders for cast iron sleepers from the Railways the foundry needs further working capital. For this purpose a sum of Rs. 2 lakhs has been provided in the Budget Estimates for 1955-56.

The audited accounts for 1953-54 show a profit of Rs. 28,748 after setting apart a sum of Rs. 21,292 for 'Development and Research Fund' which has been started to enable the Company to undertake new manufactures and develop and improve techniques of working.

HINDUSTAN SHIPYARD LIMITED

The Hindustan Shipyard Ltd., a company jointly promoted by the Government of India and the Scindia Steam Navigation Co., Ltd. took over the Shipyard at Visakhapatnam, from the Scindia Company, with effect from the 1st March, 1952, at a valuation of Rs. 2.72 crores. In addition, Government paid Rs. 39.60 lakhs and the Scindias Rs. 30,000 as working capital. Accordingly, the Hindustan Shipyard Limited issued shares valued at Rs. 312.75 lakhs out of which two-thirds of the shares valued at Rs. 208.50 lakhs were issued to the President and the remaining one-third valued at Rs. 104.25 lakhs to Scindias. During the years 1952-53 and 1953-54 a sum of Rs. 60 lakhs was paid to the Shipyard towards development programme. This amount has since been converted into share capital and added to the share issued to the President making the total value of shares at Rs. 268.50 lakhs. To sum up, Government paid to Hindustan Shipyard Limited Rs. 39.60 lakhs in 1951-52, Rs. 30 lakhs in 1952-53 and Rs. 30 lakhs in 1953-54 and to Scindias Rs. 33.40 lakhs in 1952-53, Rs. 64.16 lakhs in 1953-54, and Rs. 33.78 lakhs in 1954-55. A provision of Rs. 83.78 lakhs has been made in the Budget Estimates for 1955-56.

Government approved the development programme of the Shipyard at an estimated cost of Rs. 1.96 crores. Considerable progress has already been made towards the completion of the programme. A sum

of Rs. 60 lakhs was advanced to the Shipyard towards the development programme in the years 1952-53 and 1953-54. It has since been decided that all the expenditure on the development of the Shipyard has to be initially paid to the Shipyard as share capital and accordingly a provision of Rs. 30 lakhs has been made for development during the current year and a provision of Rs. 50 lakhs has been made in the Budget Estimates for 1955-56.

Government also approved, in principle the construction of a Dry Dock at Visakhapatnam. The Dry Dock, when completed, will obviate the necessity to send ships built at Visakhapatnam to Calcutta at some expense and will bring more repair jobs to the Shipyard. A sum of Rs. 10 lakhs has been provided in the Budget Estimates for 1955-56.

In order to enable the Indian Shipping Companies to purchase ships built in Visakhapatnam Yard at a cost at which similar ships could be obtained from the U.K. Shipyard, Government have decided to bear the difference between the actual cost of construction and the U.K. cost as subsidy. A sum of Rs. 57 lakhs in the Revised Estimates, 1954-55 and Rs. 60 lakhs in the Budget Estimates, 1955-56 has been provided for this purpose.

The Hindustan Shipyard Ltd. completed their second year of working on the 31st March, 1954. The net loss suffered by the Shipyard during 1953-54 was Rs. 7,66,118/3/5. Government have accordingly paid a special subsidy of Rs. 7 lakhs on this account to meet the loss.

NATIONAL INSTRUMENTS FACTORY

The scheme for the re-organisation of the National Instruments Factory, Calcutta, involving a non-recurring expenditure of Rs. 79.76 lakhs during the three years from 1951-52, includes the acquisition of land and construction of new building for the factory, purchase of new machinery for manufacture of optical glass and linen measuring tapes.

Necessary land for the new buildings of the factory measuring 8.3 acres has already been acquired at a cost of Rs. 8.64 lakhs, and the construction of the buildings is expected to be completed by July, 1956. Orders for new machinery to the value of Rs. 6 lakhs have been placed and some of the machinery has been received. Orders for further installation of plant and machinery costing about Rs. 3 lakhs are being placed.

A provision of Rs. 14.50 lakhs in the Revised Estimates for 1954-55 and Rs. 38.26 lakhs in the Budget Estimates for 1955-56 has been made.

* During 1953-54, the factory produced instruments of the value of Rs. 17.54 lakhs. (This includes the value of repairs of instruments.) The total expenditure on the factory during 1953-54 was Rs. 21.36 lakhs.

DEVELOPMENT OF EXISTING SALT WORKS AND MANDI MINES

A provision of Rs. 9 lakhs in the Revised Estimates for 1954-55 and Rs. 10 lakhs in the Budget Estimates for 1955-56 has been made for the development of existing Government Salt Works at Mandi, Bombay and Sambhar Regions and for certain works connected with private salt factories in Bombay, Madras and Calcutta Salt Regions.

During the year 1953-54, the production of salt in Government salt factories was: Mandi—1,25,000 mds.; Sambhar—62,16,000 mds.; Kharghoda—62,95,000 mds. resulting in a profit of Rs. 11,200 and Rs. 4,35,610 in Mandi Mines and Kharghoda Salt sources respectively and a loss of Rs. 11,41,133 in Sambhar Salt sources.

LIGNITE DEVELOPMENT PROJECT

The lignite deposits in South Arcot District, Madras State, when exploited are expected to provide an assured and cheap source of fuel and power to South India. In order to make a preliminary survey of the economics of exploiting these deposits the Government of India obtained under the Colombo Plan the services of a firm of Technical Consultants who after thorough investigation have submitted a report, which is being examined by Central Government.

A provision of Rs. 25 lakhs has been made in the Budget Estimates for 1955-56 to cover the expenditure that may be incurred in the further exploitation of the lignite deposits in South Arcot, before any decision can be taken to select a project recommended by the Technical Consultants.

HINDUSTAN CABLES LIMITED

The Cables Factory has been planned for an annual output of about 470 miles of cables of different specifications. The factory went into regular production in September 1954. The production programme for the year 1954-55 (September 1954 to March 1955) is expected to be 104 miles of cables and that for the year 1955-56, 335 miles. It is expected that by 1957-58 the factory will be able to meet P. & T. Department's requirements of 'subscriber' and 'carrier' cables. A provision of Rs. 39 lakhs in the Revised Estimates, 1954-55 and Rs. 40 lakhs in the Budget Estimates, 1955-56 has been made for this project.

HINDUSTAN ANTI-BIOTICS LIMITED

The Penicillin Factory that is being set up at Pimpri near Poona in pursuance of the agreement between the Government of India and UNICEF/WHO has been placed with effect from June 1954, under the management of a private limited company with name and style of 'Hindustan Anti-biotics Ltd.' The factory has been planned to produce 9 million mega units of penicillin per year but it is expected that by using better yielding strains it should be possible to have as many as 15—20 million mega units per year. The construction of the essential buildings for the factory has been completed and major portion of the plant and equipment has also been erected. Experiments in seeding of penicillin are being carried on at present. The factory is expected to go into production by April, 1955.

A provision of Rs. 46·47 lakhs for the purchase of shares and a sum of Rs. 40 lakhs for loans has been included in the Budget Estimates "for 1955-56.

D.D.T. FACTORY

The D.D.T. Factory was transferred to the control and management of the Hindustan Insecticides Ltd. in April, 1954. The construction of the buildings is now nearing completion and the factory is expected to go into production by March, 1955.

The factory buildings have been designed so as to allow expansion of the plant to double its capacity for producing, 1,400 tons of D.D.T. per annum. It is proposed to expand the factory after production of the existing plant is established. This scheme may cost about Rs. 20 lakhs.

A provision of Rs. 21·94 lakhs in the Revised Estimates, 1954-55 and Rs. 22 lakhs in the Budget Estimates, 1955-56 has been made.

Government of India have under consideration the setting up of a second D.D.T. plant with a capacity of 1,400 tons per annum. The project is estimated to cost about Rs. 75 lakhs, half of which is expected to be received as foreign aid. Preliminary work in connection with the proposed factory is expected to commence during the year 1955-56. A provision of Rs. 3 lakhs has been made for this purpose.

MINISTRY OF TRANSPORT

CONSTRUCTION AND DEVELOPMENT OF NATIONAL HIGHWAYS

This development project is based on the recommendation made in the 'Nagpur Report' on road development as endorsed by the Policy Committee on Transport and the Transport Advisory Council. The project was put into execution on the 1st April, 1947. The present mileage of roads classed as National Highways is 13,400.

The scheme is included in the current Five Year Plan and the Planning Commission have approved an expenditure ceiling of Rs. 27 crores on the scheme during the Plan period. The works included in the detailed five year programme are of the following categories:—

- (a) construction of missing links;
- (b) construction of bridges; and
- (c) improvement of existing roads.

A separate ceiling of Rs. 80 lakhs is also included in the current Five Year Plan for the development of the Pathankot-Jammu Section of the Pathankot-Jammu-Srinagar-Uri Road. This road will be classified as a National Highway as soon as the necessary agreement with the Jammu and Kashmir Government is executed, but pending execution of the agreement, it has been decided to meet expenditure on the development of the road (including the Banjhal Tunnel Project) with effect from 1st April 1954, from National Highway Funds. The length of the Pathankot-Jammu-Srinagar-Uri Road is 317 miles.

Thus the total provision included in the Plan for the construction and development of National Highways is Rs. 27.80 crores. Against this, the expenditure during the first three years of the Plan is Rs. 12.27 crores. The anticipated expenditure during the current year is Rs. 6.69 crores, while the budgeted expenditure for 1955-56 is Rs. 8 crores. Thus as at present estimated, there will be a short fall of only Rs. 84 lakhs in the expenditure target envisaged in the Plan for the construction and development* of National Highways.

CONSTRUCTION AND DEVELOPMENT OF ROADS OTHER THAN NATIONAL HIGHWAYS

The Central Roads Organisation assumed administrative control and financial liability for roads other than National Highways in the various Part 'C' States, the Andaman and Nicobar Islands, Sikkim and the North East Frontier Tribal Areas of Assam with effect from 1st April, 1950.

In the case of Part 'C' States which have their own Legislatures (*viz.* Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh), provision for meeting expenditure on works chargeable to "Revenue" is made by the State Government in their own budgets. Consequent upon the passing of the Part 'C' States (Amendment) Act, 1954, provision for meeting expenditure on works chargeable to "Capital" in the six part 'C' States mentioned above is also made in the State budget with effect from 1st October, 1954 (1st December, 1954 in the case of Ajmer). Provision

for meeting expenditure on works chargeable to "Revenue" and "Capital" in the Part 'C' States which have no Legislature (Kutch, Manipur and Tripura) is made in the Central budget.

Provision is also included in the capital budget for the construction and development of roads in the Andaman and Nicobar Islands, Sikkim, the North East Frontier Agency areas and of certain other important roads like the Passi-Badarpur Road in Assam and West Coast Road in Madras and Bombay States. A provision of Rs. 3·30 crores has been made in the Budget Estimates for 1955-56.

CONSTRUCTION AND DEVELOPMENT OF CENTRALLY AIDED ROADS

A provision of Rs. 10 crores has been made for expenditure during the last two years of the current Plan period (1954-55 and 1955-56) on the construction and development of roads, other than National Highways, of the following categories which were not already provided for in the approved Five Year Plan:

- (i) Inter-State Roads necessary for ensuring through communications;
- (ii) Roads required for opening up new areas to which railway facilities cannot be provided in the near future; and
- (iii) Roads which can contribute materially to rapid economic development, i.e., in hilly areas and certain recently merged territories having valuable resources for exploitation.

A programme of works to be financed from the provision of Rs. 10 crores has been drawn up and intimated to the State Governments concerned. Detailed estimates for the works included in the programme are being sanctioned. The estimated expenditure during the current financial year is Rs. 1·75 crores while the budgeted expenditure for 1955-56 is Rs. 5 crores. There is thus expected an expenditure fall of Rs. 3·25 crores, as compared to the provision in the Plan. This short fall in expenditure is mainly due to the fact that the scheme has been put into execution only from 1st April, 1954, that some time was taken in finalising the programme of works and there has been some inevitable delay in starting the various works included in the programme of works by the State Governments concerned.

KANDLA PORT PROJECT

The need for a major port between Karachi and Bombay in the Gulf of Kutch was investigated by an Expert Committee set up by the Government of India, viz., the West Coast Major Port Development Committee. This Committee considered the need for a major port on this stretch of coast as immediate and imperative and recommended Kandla as the site for such a port. Government accepted this recommendation in 1948 and necessary preliminary steps including the freezing of land values in that area were taken. Various surveys and investigations essential for planning the project took over two years to complete.

The project is under the control of a high power organisation under a Development Commissioner which is responsible for co-ordinating the various activities connected with the development of the port, the railway and township.

The cost of the whole Kandla project is now estimated at about Rs. 13·83 crores. Out of this, the cost of the main harbour works will be about Rs. 7 crores, the balance being the cost of construction of roads and

bridges within the port limits, office and residential accommodations for the port establishment and purchase of essential equipments, etc. The main harbour works have been entrusted to a firm of contractors viz. M/s. Makenzies Heinrich Butzer (India) Ltd., while the construction of quarters, roads, bridges, etc. within the port limit is being undertaken departmentally.

The construction work of the main harbour is expected to be completed by April, 1957. On completion of the harbour works, the port is expected to handle 400,000 tons of general cargo and 450,000 tons of oil. Its completion will to some extent reduce the pressure on the port of Bombay and reduce substantially the rail loads to and from the hinterland covering Central India, Rajasthan, Delhi and East Punjab. In the long run the completion of the Kandla project is likely to give a fillip to the development of natural resources in Kutch, Rajasthan and East Punjab. The construction of Kandla Port will continue to help the rehabilitation of displaced persons from Sind.

It is expected that the port will be a self-sufficient unit capable of paying off 3½ per cent. interest and depreciation charges over a period of sixty years.

The expenditure incurred on the project upto the end of 1953-54 is Rs. 3·46 crores and during 1954-55 it is expected to be about Rs. 3 crores. A provision of Rs. 4 crores has been included in the Budget Estimates for 1955-56.

DEVELOPMENT OF GANDHIDHAM TOWNSHIP AT KANDLA

When the decision to develop the major port of Kandla was first taken, it was decided that the responsibility for developing the adjacent township of Gandhidham should be entrusted to the Sindhu Resettlement Corporation, a joint stock company in which the Government of India had invested Rs. 50 lakhs being 25 per cent. of the share capital of the company. The machinery set up to give effect to this decision was not effective, and consequently the Ministries of States, Transport and Finance decided to restrict the operations of that company to a small area and entrust the general responsibility for the development of the township to the Development Commissioner, Kandla. This will include the development of road, construction of main roads, sewage and drains and provision of adequate supply of water. Out of a provision of Rs. 75 lakhs in the Budget for 1954-55 for this purpose only an expenditure of about Rs. 30·5 lakhs is estimated to be incurred in this year. Due to delay in the finalisation of the revised lease deed with the Sindhu Resettlement Corporation it has not yet been possible to set up the Land Department under the Chairmanship of the Development Commissioner, Kandla. The over-all scheme for the development of the township is estimated to cost about Rs. 5·67 crores and is at present under scrutiny of the Planning Commission. Pending the constitution of the Land Department, certain essential schemes are to be taken up in 1955-56 and a provision of Rs. 77 lakhs has been made in the Budget Estimates for that year.

SCHEMES FOR DEVELOPMENT OF MINOR PORTS

As against 5 major ports, there are a number of minor ports of varying sizes on the long coast line of India. In the interest of the transport economy of the country it has been considered essential to have a few well developed minor ports suitably placed geographically and well maintained. In pursuance of the recommendation of the National Harbour Board, it has been decided in consultation with the Planning Commission to extend Central assistance to the extent of Rs. 1 crore during the Plan 102 M. of F.

period by grant of loans to State Governments, so as to enable them to take up their approved plans for minor ports development. A sum of Rs. 17·1 lakhs was advanced in 1953-54 as loans to State Governments. In 1954-55 advances to the extent of Rs. 16·23 lakhs are expected to be sanctioned to the State Governments. A provision of Rs. 61·29 lakhs has been made in the Budget Estimates for 1955-56 for this purpose.

DEVELOPMENT SCHEMES FOR MAJOR PORTS

In order to take up a programme of rehabilitation, modernisation and expansion of the Major Ports, it has been decided in consultation with the Planning Commission to make available to the authorities of major ports of Bombay, Calcutta, Madras and Cochin a sum of Rs. 14·7 crores in the aggregate in the Plan period. A sum of Rs. 1·20 crores was granted in 1953-54 to Calcutta and Madras. The sum of Rs. 3·94 crores included in the Revised Estimates for 1954-55 will be allocated to the ports of Calcutta, Bombay, Madras and Cochin and the provision of Rs. 7·83 crores in the Budget Estimates, 1955-56 is intended for the grant of similar loans to the authorities of the four major ports during that year.

BOMBAY MARINE OIL TERMINAL

Consequent on the decision to site two oil refineries at Bombay, port facilities required for handling the oil traffic have to be improved. The Government of India are committed to provide funds for the construction of these port facilities. The Planning Commission had agreed to provide a sum of Rs. 10 crores (inclusive of the provision of Rs. 3 crores for removal of the Ammunition Dump) for the purpose. A sum of Rs. 3·75 crores has already been advanced to the Bombay Port Trust during 1953-54 and a sum of Rs. 3·25 crores is expected to be made available during the year 1954-55. A provision of Rs. 27 lakhs has been made in the Budget Estimates for 1955-56 for advancing the balance of the loan required by the Bombay Port Trust.

LOAN ASSISTANCE TO THE DELHI ROAD TRANSPORT AUTHORITY

The bus services in Delhi, formerly operated by the Gwalior and Northern India Transport Company were nationalised in May, 1948. They were operated departmentally by the Ministry of Transport upto the 31st March, 1950. On the 1st April 1950, the bus services were handed over to the statutory autonomous body known as the Delhi Road Transport Authority, established under the Delhi Road Transport Authority Act, 1950. The Authority took over the operation of the Tramway services in the city of Delhi, from the Delhi Central Electric Power Authority, with effect from the 1st April, 1951.

The assets handed over to the Authority on the 1st April, 1950 were provisionally valued at Rs. 41·88 lakhs and this amount constitutes the initial capital of the undertaking provided by Government. A loan of Rs. 20 lakhs was granted to the Authority during each of the two years 1950-51 and 1951-52, and loans of Rs. 35 lakhs and 45 lakhs were granted to the Authority during the years 1952-53 and 1953-54 respectively. Further loan assistance required by the Authority during the year 1954-55 and 1955-56 amounts to Rs. 40 lakhs and Rs. 53 lakhs respectively for the purposes of additions to their fleet and other capital expenditure. No loan has so far been advanced to the Authority, during the current financial year, but the whole amount of Rs. 40 lakhs is expected to be paid to the Authority before the year runs out. As regards loan assistance during 1955-56, a sum of Rs. 53 lakhs has been provided in the Budget Estimates.

The following table shows the financial results of operation of Delhi Road Transport Authority during the year 1953-54:—

(Figures in lakhs of rupees)

	Bus Wing	Tramway Wing
<i>Earnings</i>		
Traffic	80.79	8.63
Advertisement	1.18	.01
Miscellaneous	2.92	.30
Total	<u>84.89</u>	<u>8.94</u>
<i>Expenditure</i>		
Working expenses	63.84	7.21
Depreciation	13.77	1.04
Interest Charges	4.13	.46
Total	<u>81.74</u>	<u>8.71</u>
Profit (+) or Loss (—)	+3.15	+.23
Capital at charge (after repayment)	149.55	10.33

SHIPS FOR COASTAL AND OVERSEAS TRADE

Left to itself the Indian shipping industry cannot be expected to develop speedily with its own inadequate resources. In view of the adverse effect on national economy by the employment of foreign tonnage for the carriage of the country's essential imports and exports, the need for a rapid development of the Indian Merchant Marine has become a matter of urgency. The Planning Commission have in the First Five Year Plan set a modest target of 600,000 GRT to be attained by 1955-56. This would mean a net addition of 215,600 GRT to be made in the five year period 1951-52 to 1955-56. In order to achieve this target, a ceiling of Rs. 23.16 crores has been fixed in the Plan, which will be utilised for grant of loans to Indian Shipping Companies for purchase/construction of tonnage for coastal and overseas trades and for investment in the Eastern Shipping Corporation Ltd., in which the Government of India have a majority interest and control.

The progress of tonnage additions has, on the whole, been satisfactory and it is expected that the pace of additions will be quickened during the remaining period of the Plan. So far loans to the extent of Rs. 12 crores have been sanctioned by Government and tonnage to the extent of 164,000 GRT has been added. During the rest of the Plan period another 136,000 GRT are expected to be added and the balance of funds available utilised fully. The total gross additions will thus be to the extent of 300,000 GRT and taking into account the tonnage expected to be scrapped, the Plan target is likely to be realised fully.

A provision of Rs. 8.32 crores has been included in the Budget Estimates for 1955-56 for loans to the Indian Shipping Companies for purchase/construction of additional ships.

EASTERN SHIPPING CORPORATION

In order to facilitate the entry of Indian shipping in the important overseas trades of the country, the Government of India announced in 1947 their intention to set up a Shipping Corporation on a State-cum-private ownership basis. The Eastern Shipping Corporation was set up

as a result in March, 1950, with the Scindia Steam Navigation Company Ltd., Bombay, as the Managing Agents. The authorised capital of the Corporation is Rs. 10 crores and its present issued and subscribed capital is Rs. 5.5 crores of which Rs. 4.07 crores (74 per cent.) have been contributed by the Government of India and Rs. 1.43 crores (26 per cent.) by the Scindia Company.

The Corporation at present owns four cargo steamers of a total GRT of 24,832 and two passenger-cum-cargo steamers of a total GRT of 17,101. It has also placed orders on the Visakhapatnam Ship-building yard for two cargo and one passenger-cum-cargo steamers totalling 18,000 GRT. The Corporation at present operates in the India/Far East, India/Australia, India/Malaya and India/East Africa trades.

The Corporation has shown profits since its inception as below:—

Year	Net profit Rs.
1950-51	1,38,254
1951-52	22,53,630
1952-53	12,37,800
1953-54	4,06,664

The Corporation declared a dividend of Rs. 2 per share for the years 1951-52 and 1952-53 and Government of India earned dividend money to the extent of Rs. 6 lakhs for the two years. A sum of Rs. 37 lakhs has been included in the Budget Estimates for 1955-56.

ACQUISITION OF TANKERS ON GOVERNMENT ACCOUNT FOR COMMERCIAL OPERATION

Although India imports annually about 3 million tons of petroleum oil from abroad, there is no tanker on the Indian Registry at present. Of late, the matter has assumed much importance in view of the establishment of Oil Refineries in India. The Government's agreements with the three foreign Oil Companies, *viz.*, the Standard Vacuum Oil Co., the Burmah Shell and the Caltex, contain a stipulation for the utilisation of a reasonable number of tankers belonging to Government or to any Corporation in which Government have a substantial interest, for the purpose of importing crude oil or products for the refineries and also for carrying the refined oil products on the coast for marketing operation. It is, therefore, considered very essential that India should make a beginning towards the building of a nucleus fleet of tankers and Indian shipping companies should be enabled to acquire technical skill and experience in the tanker trade.

As a beginning it has been decided that:—

- (i) A nucleus fleet of two medium sized tankers, say 8500 DWT, should be acquired by Government for operation on the coast in the first instance.
- (ii) One of the tankers should be built at the Hindustan Shipyard so as to give an opportunity for that yard to gain experience in building tankers, and the other should be acquired as early as possible from abroad either second hand or by an order for construction abroad.
- (iii) The negotiations for the acquisition of the two tankers as well as the management and operation of the fleet after acquisition should be entrusted to the Eastern Shipping Corporation in which the Government have a 74 per cent. interest. The terms on which the tankers will be managed by the Corporation on behalf of the Government will be negotiated with the

Corporation and provision made, if possible, for the fleet being taken over by the Corporation after a stipulated period on the basis of a pre-agreed formula for valuation.

The Budget Estimates for 1955-56 include a provision of Rs. 1 crore which will be utilised partly to meet the expenditure for acquisition of one tanker from abroad either by second-hand purchase or by new construction and also to place an order for another at the Hindustan Shipyard Ltd.

MINISTRY OF WORKS, HOUSING AND SUPPLY

SUBSIDISED INDUSTRIAL HOUSING SCHEME

The formulation of the Subsidised Industrial Housing Scheme in September, 1952 marked the first step on the part of the Government of India in the direction of solving the housing problem for industrial workers in particular and, indirectly, for other low-income classes in general. The Scheme envisaged the following aid in connection with the construction of houses for industrial workers governed by Factories Act, 1948:—

	Subsidy	Loan
(i) To State Governments	50%	50%
(ii) To Employers	25%	37½%
(iii) To Co-operatives	25%	37½%

[The above percentages were to be based on the admitted cost of a project, subject to an over-all ceiling of Rs. 2,700 per tenement for all places excepting Calcutta and Bombay; for Calcutta and Bombay, the overall ceilings were much higher (maximum Rs. 4,500). The payment of sanctioned financial assistance was to be made in instalments, roughly related to the progress of construction].

In July 1953, the quantum of loan to the Co-operative Societies was increased to 50% and the method of payment of loan has also since been liberalised.

Further, provision was made for the construction of a limited number of tenements, subject to a maximum of 10% in a project, on better standards of accommodation, for better paid workers; these tenements were eligible for enhanced loan aid (on the basis of a maximum of Rs. 3,850 for places outside Bombay and Calcutta—the maximum for Calcutta and Bombay was Rs. 6,100).

In order to make the scheme more attractive and thereby enable private employers and co-operatives to take full advantage of the Scheme, certain improvements were made in the Scheme in October, 1954, which are:

- (i) Extension of the benefits of the Scheme to workers governed by Indian Mines Act, 1923, excluding such mine workers as are employed in coal and mica mines for whom there are separate Subsidised Housing Schemes operated by the Ministry of Labour. This will benefit about 15,000 workers engaged in Iron Ores, Manganese, Gold and other mines and raise the total number of workers for whom housing finance is available under the Scheme to about 3 million.
- (ii) Removal of restrictions on the number of double-roomed tenements and the amount of subsidy and loan payable for such tenements. This concession will be an inducement to the construction of two-roomed tenements for workers. Any number

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of two-roomed tenements can now be constructed under the Scheme and the financial assistance for such tenements (loan as well as subsidy) would be based on Rs. 3,340 for single-storeyed tenements and Rs. 3,490 for double-storeyed tenements for all places excluding Calcutta and Bombay. The maximum for Calcutta and Bombay is between Rs. 5,430 and Rs. 5,930 for multi-storeyed two-roomed tenements. Lower-income limit for eligibility of two-roomed houses has also been removed, and the rents for such houses too have been reduced on account of the cumulative effect of the higher subsidy, lower specifications and slightly reduced accommodation.

- (iii) Cases for construction of houses for the employees of such of the State Government undertakings who pay income-tax on at least a portion of their income, because of their products being sold outside the State, can now be considered for aid under the Scheme.

Since the introduction of the Subsidised Industrial Housing Scheme in 1952, the Government of India have sanctioned assistance to the extent of Rs. 12.14 crores involving the grant of about Rs. 6.12 crores as loans and Rs. 6.02 crores as subsidies for the construction of about 45,897 tenements. This is apart from a sum of Rs. 45 lakhs granted as loan to the Bihar Government for implementation of the State Industrial Housing Scheme. The table below gives the extent of assistance so far sanctioned separately to (1) State Governments, (2) Employers and (3) Co-operatives of Industrial Workers.

(In lakhs of Rupees)

		Assistance sanctioned		No. of tenements sanctioned
		Loan	Subsidy	Total
(1) State Governments . . .		534.4	548.8	10,832 37,227
(2) Employers . . .		66.8	47.3	1,141 7,687
(3) Co-operatives . . .		11.3	6.1	17.4 983
Total		61.5	602.2	12,147 45,897

The work of construction on the sanctioned projects is in progress; and according to the progress reports received upto end of October 1954, as many as 19 152 tenements had been completed in all respects and a good number of the rest is in the process of construction.

Schemes involving Rs. 3.07 crores as loan and Rs. 2.57 crores as subsidy (indicated below) are expected to be sanctioned in the near future:

		Loan Rs.	Subsidy Rs.
(i) State Governments		2,08,10,017	1,95,13,017
(ii) Employers		89,06,007	56,87,270
(iii) Co-operatives		10,34,730	5,24,636
Total		3,07,50,754	2,57,24,923

Since the disbursement of financial assistance under the Subsidised Industrial Housing Scheme is related to the progress of construction, a major portion of the amounts sanctioned will actually become due for

payment in subsequent years. On the basis of the existing commitments and those expected to be made in respect of the Schemes under consideration a provision of Rs. 5·5 crores—Rs. 3·5 crores as loans and Rs. 2 crores as subsidy—in the Revised Estimates for 1954-55 and Rs. 7 crores—Rs. 3 crores as loan, and Rs. 4 crores as subsidy—has been made in the Budget Estimates for 1955-56 for the Industrial Housing Scheme.

LOW INCOME GROUP HOUSING AND SLUM CLEARANCE SCHEME

This Scheme has recently been finalised and sent to the State Governments. The salient features of the Scheme are that the Central Government will give to the State Governments loans at an interest of 4½% recoverable in 30 annual equal instalments. This amount will then be loaned by the State Governments to Housing Finance Corporations or to individuals or to co-operative housing societies who are anxious to build houses for themselves or their members. Assistance will, however, be restricted to individuals whose income does not exceed Rs. 6,000 per annum.

The assistance will be limited to a figure not exceeding 80% of the estimated cost of a house, including the price of land, subject to a maximum of Rs. 8,000 per house. Those who apply for aid under the Scheme will, therefore, be required to raise on their own at least 20% of the estimated cost of the house and land. The total cost of a house to be built under the Scheme thus can be upto Rs. 10,000 but there will be no objection to building a house costing more. In no case, however, will the loan exceed Rs. 8,000.

The accommodation in the house built under the Scheme must have a floor area of not less than 380 square feet and normally not more than 1,200 square feet.

It will be open to State Governments to build the houses initially and to sell them later on (not rent out) to co-operatives or persons belonging to the low-income groups.

Loans will also be granted to the State Governments for the acquisition and development of land at 3½% interest repayable within 3 years, during which period they must sell the developed sites to individuals or co-operatives on a no-profit no-loss basis.

There is also a provision in the Scheme under which the local authorities can build a limited number of houses which they can, if they so desire, rent out to their low paid staff.

The Scheme in relation to Central Government employees will be administered by the Ministry of Works, Housing and Supply.

Schemes worth several crores of rupees have been received from State Governments. Almost all the State Governments have asked for loans and subsidies for Slum Clearance. The question as to the nature and extent of assistance that should be given to the State Governments is under consideration.

Provision of Rs. 1 crore exists in the budget for 1954-55 for loans to State Governments for non-industrial workers and this provision will now be utilised for loans under the Low Income Group Housing Scheme. A provision of Rs. 2 crores in the Revised Estimates for 1954-55 and Rs. 10 crores in the Budget Estimates for 1955-56 has been made for Low Income and Middle Income Group Housing, and Slum Clearance Schemes.

SECTION IV

ECONOMIC DATA

INTRODUCTION

The statistical data presented in this Section are designed to depict, within a short compass, the developing economy of the country as a whole. With this end in view, the statements have been rearranged this year and two additional statements, one on agricultural production and another on power production, have been added. Statements I to XII, as rearranged, deal with the main aspects of the internal economy, namely, agricultural production, industrial production, power production, wholesale commodity prices, consumer prices, security prices, currency and banking. Statements XIII and XIV deal with foreign trade.

The following paragraphs indicate briefly the trends disclosed by the figures in the above Statements. A short paragraph on balance of payments has also been added.

Agricultural Production (Statement I).—Agricultural production during 1953-54 recorded on the whole an improvement of 11 per cent. over 1952-53. The production of foodgrains (cereals and pulses) went up by 15 per cent. during 1953-54 and that of cotton by about 26 per cent. as compared with 1952-53. The production of jute and sugarcane, however, declined by 32 per cent. and 8 per cent. respectively as compared with the previous year.

Industrial Production (Statement II).—Industrial production continued to expand during 1954. The general index of monthly industrial production (base 1946=100) averaged to 138 for the first quarter of 1954, 143 for the second quarter and 150 for the third quarter as compared with 135 for the year 1953, 129 for 1952 and 117 for 1951. For individual industries, the production of cotton piecegoods during 1954 was 5,019 million yards, of jute manufactures 928 thousand tons, cement 4·4 million tons and finished steel 1·2 million tons representing a rise of 2·3, 6·8, 16·3 and 22·3 per cent. respectively over the previous year. Among major manufactures, crystal sugar at a little over 10 lakhs tons during the 1953-54 season showed a substantial drop of about 3 lakh tons as compared with the previous season.

Coal and Power Production (Statements II and III).—The production of coal and power moved up. The raisings of coal during 1954 totalled 36·8 million tons as against 35·8 million tons during 1953. The improvement in the case of electricity was more pronounced, the total generation during 1954 being 7,492 million kilowatts, representing a rise of 11·6 per cent. over the previous year.

Wholesale Prices (Statements IV and V).—During the first four months of 1954, the wholesale commodity markets ruled firm. From May 1954, a downward adjustment of prices set in. This was particularly pronounced in the case of food articles. In contrast, manufactured articles were relatively stable. The general index of wholesale prices (base: year ended August 1939=100) which averaged to 389·4 in December 1953 touched 402·6 in April 1954 but receded to 396·1 in May. In June, the index fell sharply to 381·6 and, after some fluctuations within narrow limits during the next four months, dropped to 367·8 in December 1954. Taking the year as a whole, there was, on the average, a decline of 1·8 per cent. in 1954 over 1953 as compared with a rise of 1·8 per cent. in 1953 over 1952.

As regards individual groups, while the fluctuations were generally large in the case of food articles, industrial raw materials and 'miscellaneous' articles, manufactures and semi-manufactures moved within narrow ranges during May to December. Between December 1953 and April 1954, food articles recorded a net increase of 4·0 per cent., industrial raw

materials 2·8 per cent., semi-manufactures 1·7 per cent. and manufactures 4·7 per cent., while 'miscellaneous' articles fell only by a small margin of 0·6 per cent. The net decline between April 1954 and December 1954 was about 16·7 per cent., 7·6 per cent. and 18·1 per cent., in the case of the first, second and the fifth groups respectively, and only 4·1 per cent. and 1·5 per cent. in the case of the third and the fourth groups. The over-all position stood as follows:

Groups	Percentage Change of 1954 (Average) over 1953 (average)
Food articles	-5·9
Industrial raw materials	-2·7
Semi-manufactures	-0·3
Manufactures	+2·3
Miscellaneous	-2·2
General index	-1·8

Taking important individual industrial articles, prices of cotton and jute manufactures, cement and galvanised corrugated sheets recorded a net increase during 1954 as compared to the previous year. Prices of kerosene and leather, however, showed some decline.

Consumer Prices, Working Class (Statement VI).—The consumer price indices (working class) also showed a decline during 1954. The all-India index (base: 1949 = 100) declined gradually from 103 in December 1953 to 97 in December 1954. The average for the year 1954 worked out to 101 as compared with 106 for the previous year. Taking the larger industrial centres, the average for 1954 showed a fall of 10 per cent. at Kanpur, 6 per cent. at Calcutta, 3 per cent. at Madras and slightly over 1 per cent. at Delhi and Bombay as compared with the corresponding average for 1953.

Security Prices (Statements VII and VIII).—On the stock exchanges, the gilt-edged market was generally steady during the year 1954, while variable dividend industrial securities registered appreciable increases. The all-India index of variable dividend industrial securities (base: 1949-50 = 100) was 95·7 for the fourth quarter of 1953, 100·9 for the first quarter of 1954 and 104·9, 116·3 and 116·0 respectively for the three subsequent quarters of 1954.

Currency and Banking (Statements IX to XII).—There was a net rise in money supply during the year 1954. Notes in circulation, which stood at Rs. 1,125 crores at the end of December 1953, rose by Rs. 75 crores at the end of December 1954. During the same period, demand liabilities of the scheduled banks advanced by Rs. 57 crores to Rs. 573 crores. There was also an expansion of bank credit. Scheduled bank advances (including inland bills purchased and discounted in India) improved by Rs. 49 crores to touch Rs. 510 crores at the close of the year. Foreign balances with the Reserve Bank of India moved up by Rs. 8 crores to Rs. 731 crores but Central Government balances with the Reserve Bank of India declined sharply by 50 per cent. to close at Rs. 55 crores.

The total cheque clearances through clearing houses in India during 1954 amounted to Rs. 7,064 crores as compared with Rs. 6,603 crores during the previous year.

Foreign Trade (Statements XIII and XIV).—During 1954, India's merchandise exports (including re-exports) by sea and air rose by Rs. 32 crores to Rs. 556 crores and imports by Rs. 7 crores to Rs. 565 crores. Exports and imports by land having shown only minor changes, India's over-all adverse balance of trade in merchandise, which amounted to Rs. 49 crores during 1953, was reduced to Rs. 25 crores in 1954.

Balance of Payments.—During the first half of 1954, India's external payments accounts registered a surplus on current account of Rs. 10·6 crores as compared with a surplus of Rs. 55 crores in the preceding half year and Rs. 4·2 crores during the corresponding half of the previous year. This was made up of a surplus of Rs. 20·8 crores in the first quarter and a deficit of Rs. 10·2 crores in the second quarter which is usually a lean period.

The surplus with the dollar area during the first half of 1954 came to be the same as the over-all balance, namely, Rs. 10·6 crores, as compared with the surplus of Rs. 20·2 crores in the preceding half year and Rs. 10·8 crores in the corresponding half of 1953.

Final figures of balance of payments for the second half of 1954 are not yet available. However, the foreign balances held by the Reserve Bank of India reflected a surplus for the year as a whole.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

SECTION IV
STATEMENT I.—Index Numbers of Agricultural Production.

(Base: Crop year ending June 1950 = 100)

(Source : Ministry of Food and Agriculture)

	Other Crops												
	Foodgrains					Oil Seeds (3)							
	Cereals (1)		Pulses (2)			Total Food-grains	Ground-nuts	Total Oil-seeds	Cotton	Jute	Total Fibres		
	Rice	Wheat	Total Cereals	Gram	Total Pulses								
I	2	3	4	5	6	7	8	9	10	11	12		
Weights	35·3	8·5	58·3	3·7	8·6	66·9	5·7	9·9	2·8	1·4	4·5		
1950-51	•	•	87·9	101·1	90·3	98·0	91·7	90·5	101·4	98·5	111·7	106·3	108·6
1951-52	•	•	90·1	93·9	91·2	88·2	90·3	91·1	93·0	97·5	119·2	151·4	128·3
1952-53	•	•	96·7	104·3	101·4	110·2	99·0	101·1	85·4	92·1	119·2	149·1	127·4
1953-54	•	•	116·4	111·0	117·2	120·1	108·9	116·1	111·6	108·9	149·7	101·3	131·9

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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STATEMENT I.—Index Numbers of Agricultural Production—contd.
 (Base: Crop Year ending June 1950 = 100)

Other Crops— <i>contd.</i>									
	Plantation Crops				Miscellaneous (S)				General Index 100·0
	Tea	Coffee	Rubber	Total plantation Crops	Sugar-cane	Tobacco	Total Miscellaneous crops		
I	13	14	15	16	17	18	19	20	21
Weights	3·3	0·2	0·1	3·6	8·7	1·9	15·1	33·1	
1950-51	•	103·8	112·3	93·8	104·0	113·7	97·3	110·3	105·9
1951-52	•	109·6	112·8	94·4	109·4	121·5	78·0	113·3	110·2
1952-53	•	115·4(a)	127·2(b)	109·3(c)	115·9	101·6	87·1	101·4	103·7
1953-54	•	115·4(a)	134·2(b)	116·3(c)	116·5	93·4	95·1	98·6	108·2
								113·5	

(1) Includes Jowar, Bajra, Maize, Ragi, Small Millets and Barley besides Rice and Wheat.

(2) Includes Gram, Tur and other Pulses.

(3) Includes Groundnut, Sesame, Rape and Mustard, Linseed and Castorseed.

(4) Including Mesta.

(5) Comprises Sugarcane, Tobacco, Potato, Pepper, Chillies and Ginger.

(6) Provisional.

(7) Based on Indian Coffey Board figures.

(8) Based on un-official estimates.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT II.—*Industrial Output.*

Monthly average or calendar months

		Coal Raisings Tons (ooo)	Iron & Steel(finished steel) Tons (ooo)	Cotton Manufacture (Pice goods) Yards (Millions)	Jute Manufactures Tons (ooo)	Sugar Tons (ooo)
1948	.	2,485	71·3	368·5	90·5	83·3
1949	.	2,621	77·4	317·1	76·9	87·0
1950	.	2,666	82·7	301·2	69·7	86·4
1951	.	2,859	87·6	349·2	72·9	96·0
1952	.	3,019	89·7	382·8	79·3	118·2
1953	.	2,987	82·3	408·8	72·4	108·1
1954	.	3,064	100·6	418·2	77·3	90·5
1953	January	3,110	85·8	394·4	73·0	308·9
	February	3,061	82·4	381·8	68·6	292·8
	March	3,076	81·0	408·1	74·4	266·8
	April	3,244	74·2	418·9	74·3	154·0
		3,196	73·1	433·1	72·5	34·2
	June	2,911	69·7	419·4	72·8	1·5
	July	2,753	73·8	420·5	78·4	—
	August	2,747	73·2	410·4	68·1	—
	September	2,972	74·6	384·9	73·1	0·2
	October	2,937	91·8	395·6	66·8	1·4
	November	2,677	100·0	382·1	69·0	32·0
	December	3,163	107·4	456·6	77·8	205·5
1954	January	2,903	104·0	424·9	67·3	303·9
	February	3,056	96·6	413·5	68·3	251·1
	March	3,071	111·3	404·7	75·6	155·1
	April	3,037	96·6	428·7	75·0	42·5
	May	2,977	95·4	425·1	71·3	2·6
	June	2,885	93·9	406·9	74·6	—
	July	2,966	99·4	441·0	80·7	—
	August	2,958	97·0	412·0	78·2	3·3
	September	3,171	96·3	410·0	79·0	4·7
	October	2,921	99·1	379·0	75·1	7·1
	November	3,323	105·0	422·0	88·6	65·4
	December	3,503	112·8	451·0	94·0	250·5

EXPLANATORY MEMORANDUM: GENERAL BUDGET
STATEMENT II.—Industrial Output—contd.
Monthly average or calendar months.

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			Paper Cwts. (ooo)	Cement Tons (ooo)	Ammonium Sulphate Neutral Tons	Index of Industrial Production (Base : 1946 = 100)
1948	.	.	163.2	129.4	2,934	108.4
1949	.	.	172.0	175.2	3,828	105.7
1950	.	.	181.5	217.7	3,942	105.0
1951	.	.	219.0	266.3	4,392	117.2
1952	.	.	229.3	294.8	18,359	128.9
1953	.	.	233.0	315.0	26,635	135.2
1954	.	.	252.7	366.5	28,329	..
1953	January	.	233.0	294.5	30,108	131.1
	February	.	213.4	266.6	30,896	135.9
	March	.	227.8	295.6	25,728	131.1
	April	.	234.0	284.0	24,899	140.6
	May	.	220.3	323.9	25,921	131.1
	June	.	212.0	318.8	20,862	132.8
	July	.	264.8	344.4	26,581	136.2
	August	.	248.0	307.2	27,011	130.9
	September	.	258.1	308.2	26,041	137.2
	October	.	247.2	329.3	26,712	133.4
	November	.	217.5	339.1	25,433	134.3
	December	.	220.0	369.8	29,424	144.7
1954	January	.	206.6	362.	24,535	133.2
	February	.	188.1	351.0	23,765	141.6
	March	.	229.5	369.0	25,985	138.0
	April	.	275.9	359.8	24,166	144.9
	May	.	254.0	373.4	24,490	139.6
	June	.	262.0	352.5	27,057	145.0
	July	.	266.9	365.1	26,691	149.8
	August	.	256.0	342.5	29,080	147.8
	September	.	259.9	361.5	32,326	152.4
	October	.	279.6	372.3	36,579	141.1
	November	.	300.7	368.5	29,646	..
	December	.	253.0	398.1	35,625	..

Source : Central Statistical Organisation (Monthly Abstract of Statistics).
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EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT III.—*Production and Distribution of Electricity*

Monthly average or calendar months

(Source: Ministry of Irrigation and Power)

		Electricity sold (Million Kwh.)					Total
		(1) Electricity generated Million (Kwh.)	Domestic consump- tion	Industrial power	Others		
1948	.	381	34	203	73	310	
1949	.	409	39	214	81	334	
1950	.	426	44	217	85	346	
1951	.	488	50	255	94	399	
1952	.	516	50	271	99	420	
1953	.	559	57	292	105	454	
1954	.	624	62	329	117	508	
1953	January	535	51	288	103	442	
	February	499	50	267	100	417	
	March	538	54	276	106	436	
	April	531	57	278	103	438	
	May	560	57	287	112	456	
	June	549	58	284	108	450	
	July	588	57	307	107	471	
	August	588	58	306	105	469	
	September	576	59	303	102	464	
	October	583	59	304	106	469	
	November	563	58	294	104	456	
	December	604	60	312	115	487	
1954	January	590	59	308	111	478	
	February	551	57	289	105	451	
	March	594	59	306	118	483	
	April	613	60	319	125	504	
	May	640	61	326	128	515	
	June	629	62	326	122	510	
	July	633	62	339	115	516	
	August	635	65	339	106	510	
	September	648	65	345	113	523	
	October	627	64	337	111	512	
	November	654	63	351	121	535	
	December	678	65	362	125	552	

(1) Including purchases from non-electric utilities.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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STATEMENT IV.—*Index Numbers of Wholesale Prices*

(Source: Office of the Economic Adviser to the Government of India)

Average of weeks (I)

ALL INDIA : (Base : year ended August 1939 = 100).							
	Food Article	Industrial Raw Materials	Semi-Manufactures	Manufactured Article	Miscellaneous Articles	All Commodities	
1947	292·2	365·3	251·9	276·6	468·1	297·4	"
1948	374·1	430·5	316·6	340·6	504·2	367·1	
1949	389·2	463·9	328·1	343·9	545·6	381·1	
1950	410·4	503·2	340·9	348·4	683·1	400·7	
1951	409·8	608·2	377·5	395·5	729·8	439·3	
1952	359·8	453·8	346·5	377·5	435·6	386·9	
1953	380·8	459·7	356·3	367·0	662·5	393·9	
1954	358·3	447·1	355·4	375·5	646·8	386·7	
1953—							
January	357·0	427·6	344·3	365·9	620·0	377·5	
February	361·6	440·1	347·2	367·8	595·0	381·5	
March	365·0	453·1	349·8	369·0	585·5	385·2	
April	366·4	448·9	351·8	365·8	601·7	384·9	
May	382·0	477·4	360·0	369·5	619·8	397·4	
June	398·7	481·0	363·4	370·1	674·3	405·4	
July	406·4	480·5	365·4	367·3	693·9	407·7	
August	407·0	488·7	364·7	370·8	706·0	410·4	
September	399·0	475·3	363·8	364·4	717·4	403·8	
October	385·6	447·7	353·4	364·5	721·9	393·6	
November	378·0	441·4	355·5	365·6	715·2	390·6	
December	367·0	459·3	356·5	363·8	711·5	389·4	
1954—							
January	381·5	481·1	361·5	364·3	709·8	398·5	
February	373·3	471·3	360·1	368·3	693·9	395·0	
March	371·4	462·5	355·8	373·9	686·9	394·0	
April	381·6	472·1	362·4	380·9	707·4	402·6	
May	366·2	464·9	362·6	381·1	689·5	396·1	
June	343·2	441·0	355·6	378·7	647·3	381·6	
July	353·9	423·2	354·2	376·6	636·0	381·3	
August	362·4	420·8	351·9	375·8	608·9	382·3	
September	363·6	426·0	353·3	377·7	607·8	384·4	
October	355·9	428·8	351·8	376·5	605·7	381·6	
November	334·2	443·8	348·8	377·0	605·4	376·1	
December	318·0	436·3	347·4	375·1	579·7	367·8	

(x) Annual figures are simple geometric averages of months.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT V.—*Index Number of Prices of certain Industrial Articles*
 (Source: Office of the Economic Adviser to the Government of India)
 (Figures relate to the last week of the month)
 Base: week ending 19th August 1939=100

Monthly average or Calendar Months	Sugar	Kerosene	Petrol	Cotton Manufactures	Jute Manufactures	Cement	Galvanized Corrugated Sheets	Leather	Coal
1942	120*	176	160	262*	175	134	243*	125	130
1943	144	189	166	439*	241	163	333*	153	197
1944	155	149	171	309*	253	206	349*	203	288
1945	167	172	165	275*	249	205	270*	226	296
1946	179	154	142	262	284	186	233	307	294
(Base : year ended August 1939=100)									
1947	222	144	148	255	476	200	151	300	322
1948	350	182	169	359	504	266	186	305	366
1949	303	185	189	366	511	258	205	313	364
1950	280	192	196	354	461	258	208	356	357
1951	297	197	199	400	813	280	228	442	357
1952	294	229	214	401	505	298	268	354	357
1953	273	230	218	407	402	261	294	410	357
1954	296	222	219	413	438	273	301	377	357
1953—									
January	263	230	215	406	388	268	294	409	357
February	263	230	215	406	389	268	294	426	357*
March	260	230	215	406	357	268	294	444	357*
April	271	230	215	407	357	260	294	418	357*
May	275	230	217	407	406	260	294	414	357*
June	270	230	217	407	421	260	294	421	357*
July	277	227	217	415	412	259	294	415	357*
August	276	227	220	415	409	259	294	407	357*
September	277	233	220	410	384	259	294	394	357*
October	381	233	220	410	410	358	294	385	357*
November	281	233	220	403	438	258	294	398	357*
December	282	222	219	397	430	258	294	391	357*
January	291	222	219	398	423	258	294	398	357
February	293	222	219	405	428	258	294	396	357
March	302	222	219	413	415	274	294	287	357
April	299	222	210	417	445	275	303	375	357
May	298	222	219	419	433	274	303	373	357
June	292	222	219	419	441	274	303	369	357
July	301	222	219	418	417	276	303	373	357
August	303	222	219	415	448	276	303	372	357
September	305	222	219	415	471	276	303	358	357
October	296	222	219	415	441	278	303	367	357
November	(a)	222	219	415	457	278	303	370	357
December	274	222	219	412	438	278	303	382	357

*Estimated.

** Quotations not available.

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STATEMENT VI.—Consumer Price Index Numbers—Working Class
(Source: Labour Bureau, Government of India)

Monthly average or Calendar Month	Bombay (Base: year ending June 1934 = 100)	Madras (Base year ending June 1939 = 100)	Kanpur (Base: August 1939 = 100)	Delhi (Base January to December 1949 = 100)	Nagpur (Base : August 1949 = 100)	Calcutta (Base : August 1949 = 100)	All India Average (Base : 1949 = 100)
	1945	235	222	308	103	259	283
1946	259	235	328	107	285	275	..
1947	279	272	378	122	320	309	
1948	303	309	471	132	372	339	
1949	307	323	478	132	377	348	97 100
1950	313	325	435	132	372	349	101
1951	330	334	451	142	391	370	105
1952	337	330	441	143	380	351	103
1953	363	351	452	140	387	349	106
1954	359	341	408	138	373	327	101
1953—							
January	346	327	454	135	381	337	102
February	351	351	459	136	380	334	103
March	358	353	448	136	381	333	104
April	359	354	434	137	384	344	104
May	363	356	441	139	391	345	105
June	371	360	453	140	393	363	109
July	373	355	465	142	394	275	111
August	376	352	469	144	397	373	111
September	371	351	464	145	391	366	110
October	368	352	457	144	389	349	108
November	361	353	453	143	385	339	106
December	359	350	438	140	380	329	103
1954—							
January	363	353	442	139	377	325	104
February	348	352	432	139	375	316	102
March	349	345	416	138	374	319	101
April	355	341	426	141	377	323	102
May	355	341	415	142	374	339	102
June	367	342	396	135	375	332	101
July	366	339	400	134	373	331	101
August	362	336	408	135	372	330	101
September	364	335	406	137	371	332	101
October	363	338	404	141	369	336	101
November	363	337	387	130	370	325	98
December	358	337	369	135	370	332	97

STATEMENT VII—Fixed Yield Government Securities Index numbers and Yield on 3½ per cent. and 3 per cent. Government Paper (Bombay)
 (Source: Reserve Bank of India)

Monthly average or Calender Months	Index Number (Base : 1927-28 = 100)	3½ percent paper*	
		Yield	Yield per cent of Paper
1943-44	117.2	3.62	3.57
1944-45	118.0	3.52	3.33
1945-46	118.6	3.43	3.14
1946-47	121.2	..	2.90
December 1945	119.0	3.38	3.08
1946	120.6 } 105.7(a) }	3.40	2.93
1947	103.0	..	2.96
1948	101.1	..	3.02
1949	99.7	..	3.06
1950			
1951	98.0	..	3.11
	92.8	..	3.29
1952	82.7	..	3.69
1953	83.7	..	3.64
1954	83.4	..	3.65
1953—			
January	84.2	..	3.62
February	84.2	..	3.62
March	84.2	..	3.62
April	83.5	..	3.65
May	83.7	..	3.64
June	83.8	..	3.64
July	83.8	..	3.64
August	83.4	..	3.66
September	83.5	..	3.65
October	83.4	..	3.65
November	83.4	..	3.66
December	83.8	..	3.64
1954—			
January	83.8	..	4.64
February	84.0	..	3.63
March	84.0	..	3.63
April	83.8	..	3.64
May	83.0	..	3.67
June	83.5	..	3.65
July	84.5	..	3.67
August	84.3	..	3.68
September	83.8	..	3.64
October	82.4	..	3.70
November	82.1	..	3.71
December	82.2	..	3.71

*Substituted by 3 per cent. Government paper with effect from 7-9-46.

(a) Base changed to 1938 = 100.

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STATEMENT VIII.—Variable Yield Securities Index (Base : 1927-28 = 100) for certain Industries.

(Source: Office of the Economic Advisor to the Government of India)

Monthly average	Cotton	Jute	Coal	Iron and Steel	Tea	Sugar	Cement	Paper
1942	127·1	52·3	154·1	414·1	82·0	113·6	216·6	360·4
1943	196·7	62·9	205·5	533·8	112·2	193·2	279·3	461·1
1944	191·8	76·5	284·5	583·2	120·0	224·5	289·8	509·9
1945	188·2	92·6	333·9	610·7	126·5	211·4	283·9	540·9
1946	262·7	131·8	141·1	724·6	149·8	204·4	313·5	878·1

Variable Yield Securities Index (Base: 1938 100) for certain Industries.

(Source: Reserve Bank of India)

Average of weeks	Cotton Woollen and Silk Mills	Jute Mills	Coal	Iron and Steel	Plantations	Sugar	Cement	Paper
1946	432·0	274·3	283·5	282·6	282·0	224·2	215·1	362·0
1947	328·4	202·1	290·1	202·6	238·5	171·1	153·1	271·4
1948	225·4	130·8	139·2	159·6	172·5	143·3	139·9	160·
1949	159·4	89·1	112·9	138·7	120·0	120·2	120·0	99·1
1950	155·4	86·8	114·6	153·5	142·2	106·2	133·5	109·5
1951	170·3	102·4	131·6	171·5	179·1	97·8	142·3	128·7
1952	143·1	83·1	96·6	134·7	140·6	87·5	141·5	116·4
1953(1)	130·5	72·5	87·8	131·6	110·8	79·5	141·8	114·0
1953—								
January	127·7	74·3	87·1	124·0	110·7	79·0	142·9	112·8
February	128·5	71·5	87·3	129·2	108·7	78·7	139·5	113·6
March	135·3	71·6	89·1	141·7	113·0	80·7	143·1	115·6

Variable Yield Securities Index (Base: 1949-50) for certain Industries.

(Source: Reserve Bank of India)

Average of weeks	Cotton, Woollen and Silk Mills	Jute Mills	Coal	Iron and Steel	Plantations	Sugar and breweries	Cement	Paper
1953(2)	93·9	82·3	78·0	103·9	88·1	84·6	114·3	153·9
1954	106·5	89·8	81·0	133·4	134·0	96·7	135·0	201·
1953—								
April	92·0	80·1	80·1	105·1	81·8	82·8	112·1	153·2
May	93·9	83·2	82·5	106·9	82·4	84·1	113·6	154·6
June	95·2	85·9	82·5	105·4	87·5	85·1	113·9	155·3
July	94·0	82·7	81·0	101·7	87·7	83·3	113·2	151·0
August	93·7	80·8	76·6	100·8	85·3	84·3	111·7	150·4
September:	92·1	78·9	74·3	97·6	82·5	84·9	110·7	148·0
October	92·2	79·4	74·2	101·2	88·7	85·3	113·6	149·0
November	95·1	84·1	74·7	107·1	93·4	85·5	117·9	157·6
December	96·8	85·3	76·0	108·9	103·5	85·7	122·0	166·0
1954—								
January	97·2	82·1	76·2	109·8	103·6	86·2	120·0	167·5
February	102·5	83·6	77·1	118·8	105·3	89·4	120·9	177·1
March	102·5	82·7	77·1	121·5	105·4	88·4	123·7	181·6
April	103·3	81·5	75·4	127·7	110·8	91·2	127·3	191·9
May	102·8	81·6	75·6	128·1	113·8	92·1	126·2	192·9
June	104·6	83·5	81·1	132·9	127·7	93·6	129·7	199·7
July	107·3	88·2	83·9	138·1	136·2	95·8	133·7	209·9
August	113·5	97·0	85·2	145·2	156·0	103·1	141·9	225·8
September:	115·4	102·9	88·1	150·9	165·5	105·5	153·9	227·6
October	112·9	100·0	85·2	144·7	164·4	104·3	150·2	221·1
November	110·1	96·1	82·0	144·2	168·7	105·3	147·8	215·2
December	105·8	97·5	80·0	138·3	170·6	104·8	144·6	210·5

(1) Average of first three months.

(2) Average of nine months ending December 1953.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT IX.—Currency circulation in India.

(Source: Reserve Bank of India)

(In lakhs of Rupees)

		Increase or decrease in Note circulation (as on last Friday of the month)	Increase or decrease in Rupee Coin in circulation (as on last Friday of the month)	Combined increase or decrease of Notes and Rupee Coin in circulation (as on last Friday of the month)	Combined increase or decrease of Notes and Rupee Coin in circulation from April
1942—	March	..	..	..	+1,59,58
	December	..	..	..	+2,15,59
1943—	March	..	..	..	+3,08,42
	December	..	..	..	+2,15,75
1944—	March	..	..	..	+2,64,51
	December	..	..	..	+1,31,47
1945—	March	..	..	..	+2,12,44
	December	..	..	..	+1,28,41
1946—	March	..	..	..	+1,52,24
	December	..	..	..	+7,39
1947	March	..	..	..	+25,20
	December	..	..	..	-29,77
1948—	March	..	+17,55	-27	+17,28
	December	..	-9,44	-28	-9,72
1949—	March	..	+4,64	-54	+4,10
	December	..	+31,07	-1,36	+29,71
1950—	March	..	+21,07	+3	+21,10
	December	..	+49,47	+1,42	+50,89
1951—	March	..	+30,20	+70	+30,90
	December	..	+18,41	+54	+19,05
1952—	March	..	+1,51	-1,25	+26
	December	..	+18,46	+1,30	+19,76
1953—	January	..	+14,26	+26	+14,52
	February	..	+13,44	+1,34	+14,78
	March	..	+13,29	+1,64	+14,93
	April	..	+26,64	+65	+27,29
	May	..	-87	-72	-1,59
	June	..	-20,78	-2,85	-23,63
	July	..	-43,96	-38	-44,34
	August	..	-11,21	-2,07	-13,28
	September	..	-11,45	-1,40	-12,85
	October	..	+6,31	-1,59	+4,72
	November	..	+19,06	+30	+19,36
	December	..	+28,67	+1,86	+30,53
1954—	January	..	+30,49	+1,82	+32,31
	February	..	+15,42	+87	+16,29
	March	..	+14,50	+1,73	+16,23
	April	..	+31,26	+32	+31,58
	May	..	-14,27	+1,07	-13,20
	June	..	-28,43	-41	-28,84
	July	..	-31,75	-4,35	-36,10
	August	..	-5,39	-7,68	-13,07
	September	..	+9,79	+7	+9,86
	October	..	+14,80	+20	+15,00
	November	..	-5	-61	-66
	December	..	-33,73	+2,81	-30,92

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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STATEMENT X-A.—*The Reserve Bank of India, Issue Department.*
Average of Friday figures.

(In lakhs of Rupees)

		Notes in circula- tion	Total Notes Issued	Gold Coin and Bullion	Foreign Securities	Rupee Coin	Rupee Securities	Percent- ages of Gold and Foreign Securities to Total Notes issued
1942—								
December	.	460,57	573,04	44,42	388,33	14,16	126,13	75·52
December	.	821,99	830,95	44,42	713,83	14,37	58,83	91·25
1944—								
December	.	944,34	1,003,65	44,42	887,92	13,47	57,84	92·89
1945—								
December	.	1,200,19	1,210,39	44,42	1,093,07	15,06	57,84	93·98
1946—								
December	.	1,218,78	1,258,59	44,42	1,351,32	21,01	57,84	93·70
1947—								
December	.	1,217,05	1,274,43	44,42	1,135,32	36,85	57,84	92·57
1948—								
December	.	1,192,52	1,208,25	41,67	775,20	45,62	345,77	67·61
1949—								
December	.	1,097,68	1,111,07	40,02	602,34	53,48	415,23	57·81
1950—								
December	.	1,144,18	1,155,15	40,02	619,15	59,35	436,63	57·06
1951—								
December	.	1,141,25	1,160,11	40,02	538,15	68,81	468,13	53·72
1952—								
December	.	1,080,91	1,112,83	40,02	538,15	84,60	50,07	51·95
1953—								
January	.	1,109,57	1,128,06	40,02	554,15	83,83	450,06	52·67
February	.	1,123,58	1,140,61	40,02	568,15	82,54	449,91	53·32
March	.	1,135,06	1,149,66	40,02	578,15	81,63	449,86	53·77
April	.	1,160,28	1,171,13	40,02	594,40	86,86	449,86	54·17
May	.	1,168,83	1,187,15	40,02	610,15	87,12	649,86	54·77
June	.	1,157,40	1,187,07	40,02	608,15	89,04	449,86	54·60
July	.	1,119,03	1,156,57	40,02	591,15	91,54	433,86	54·57
August	.	1,096,06	1,129,78	40,02	571,90	92,97	424,89	54·16
September	.	1,084,45	1,116,34	40,02	558,15	95,01	423,16	53·5
October	.	1,083,47	1,116,42	40,02	558,15	96,83	421,42	53·58
November	.	1,104,00	1,126,16	40,02	568,15	96,60	421,39	54·80
December	.	1,121,09	1,133,35	40,02	575,65	96,30	421,38	54·32
1954—								
January	.	1,151,24	1,166,58	40,02	610,15	95,03	421,38	55·73
February	.	1,174,68	1,190,82	40,02	635,65	93,80	421,35	56·74
March	.	1,190,15	1,202,63	40,02	648,15	93,12	421,34	57·22
April	.	1,220,24	1,233,32	40,02	674,15	97,81	421,34	57·91
May	.	1,220,26	1,245,88	40,02	688,15	96,49	421,22	58·45
June	.	1,196,24	1,232,44	40,02	674,40	96,80	421,22	58·96
July	.	1,163,71	1,199,71	40,02	638,15	100,31	421,22	56·53
August	.	1,149,92	1,182,71	40,02	618,15	103,31	421,22	55·65
September	.	1,152,23	1,178,74	40,02	613,15	105,22	420,35	55·41
October	.	1,161,85	1,185,22	40,02	621,15	106,30	417,75	55·78
November	.	1,167,21	1,186,87	40,02	623,15	105,95	417,75	55·88
December	.	1,198,02	1,220,24	40,02	657,15	105,32	417,75	57·13

NOTES—

(1) Figures from July 1948 relate to Indian Union only.

(2) Rupee coin figures include Government of India one rupee notes from July 1940.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT X-B.—The Reserve Bank of India, Banking Department
Average of Friday figures

(In lakhs Of Rupees.)

			Deposits				Balances held abroad	Loans and advances to Government	Bills purchased and discounted	Investments
		Government	Bank	Others	Total					
1942—										
December	.	24,38	53,49	4,63	82,50	76,83	67	1,00	6,30	
1943—										
December	.	33,42	93,89	7,33	134,64	133,26	81	33	7,65	
1944—										
December	.	249,89	83,37	16,97	350,23	344,91	49	60	14,40	
1945—										
December	.	488,25	75,89	14,41	578,55	558,82	33	2,39	22,28	
1946—										
December	.	469,76	77,47	16,53	563,76	48,057	14	51	35,00	
1947—										
December	.	373,67	111,31	36,16	521,14	386,28	34	80	94,52	
1948—										
December	.	228,41	72,61	58,29	359,31	259,23	3,54	2,50	90,20	
1949—										
December	.	164,09	75,29	64,94	304,33	208,23	92	4,39	90,66	
1950—										
December	.	169,73	66,96	60,76	297,44	206,59	2,94	2,41	92,45	
1951—										
December	.	213,29	49,82	65,74	328,85	196,44	6,52	7,94	99,99	
1952—										
December	.	171,32	46,17	58,60	276,08	162,95	11,22	4,05	99,48	
1953—										
January	.	174,88	45,83	62,97	283,68	161,15	3,77	14,87	99,58	
February	.	160,54	43,97	64,74	269,25	152,32	3,63	13,89	100,14	
March	.	151,61	44,13	63,76	259,50	146,30	3,40	9,19	98,19	
April	.	120,36	45,78	61,19	227,33	128,34	3,87	10,81	86,33	
May	.	117,58	41,78	57,43	216,78	106,04	3,69	13,27	87,07	
June	.	134,20	42,50	56,92	233,63	105,60	3,42	10,59	89,76	
July	.	131,31	45,30	60,66	237,26	116,38	3,33	9,27	81,94	
August	.	143,25	45,90	59,83	248,98	128,46	1,30	5,80	88,94	
September	.	152,06	50,33	57,21	259,59	143,09	8	2,88	86,75	
October	.	142,84	54,67	57,36	254,88	143,44	5	1,90	85,29	
November	.	126,50	57,14	57,14	240,77	141,08	73	3,74	82,14	
December	.	119,58	52,81	57,44	229,82	141,91	1,81	8,83	76,07	
1954—										
January	.	124,06	41,98	47,30	224,33	121,23	1,02	16,49	74,15	
February	.	111,27	40,14	61,95	213,36	105,99	75	12,76	71,29	
March	.	122,98	40,44	42,99	206,41	99,86	1,12	10,46	68,76	
April	.	95,03	42,16	45,21	182,41	78,55	1,21	12,98	65,17	
May	.	113,75	43,30	46,10	203,15	65,23	1,12	10,11	71,91	
June	.	129,10	43,20	43,89	216,19	73,44	1,29	9,07	85,31	
July	.	141,53	40,82	36,56	224,91	103,08	7	1,76	93,06	
August	.	141,10	56,51	35,00	232,61	112,99	1,41	3,02	93,11	
September	.	151,30	62,04	34,29	247,63	117,74	1,09	6,22	95,23	
October	.	130,78	65,98	34,25	230,41	107,09	67	4,22	96,81	
November	.	103,96	73,44	34,42	211,82	102,07	1,48	3,38	91,30	
December	.	75,86	69,12	34,44	179,41	72,79	1,73	7,28	80,33	

NOTES—

(1) Figures from July 1948 relate to Indian Union only.

(2) Balances held abroad include cash and short term securities.

STATEMENT XI.—Position of Scheduled Banks in India

Average of Friday figures

Source: Labour Bureau (Government of India)

(In lakhs of Rupees.)

		Demand liabilities in India	Time liabilities in India	Cash in India	Balance with Reserve Bank	Advances in India(1)	Inland bills purchased and discounted in India(2)
1942—							
December	.	339,72	109,94	13,94	53,33	91,18	2,79
1943—							
December	.	498,91	152,34	23,48	92,84	158,62	6,36
1944—							
December	.	611,25	203,77	28,83	81,64	222	12,67
1945—							
December	.	681,31	277,01	37,28	77,66	295,02	20,31
1946—							
December	.	733,88	330,34	43,53	75,04	431,73	22,68
1947—							
December	.	652,41	314,91	36,19	109,00	374,81	17,09
1948—							
December	.	664,80	298,28	36,29	71,69	412,47	18,13
1949—							
December	.	585,69	268,97	33,44	73,54	389,97	14,79
1950—							
December	.	598,98	281,58	35,04	65,50	415,48	13,18
1951—							
December	.	579,55	292,33	38,39	47,82	493,98	38,25
1952—							
January	.	526,17	315,26	34,14	45,08	450,25	32,29
February	.	526,03	315,32	32,64	43,06	459,73	40,96
March	.	530,19	313,43	32,58	41,66	465,93	52,18
April	.	541,81	317,11	32,94	44,49	469,89	58,62
May	.	529,18	322,18	31,91	39,92	473,54	60,87
June	.	527,17	324,95	33,22	39,94	464,10	58,38
July	.	532,42	328,21	31,86	42,99	443,69	52,83
August	.	527,25	329,39	30,56	44,45	480,70	49,09
September	.	525,51	330,22	31,12	48,48	422,67	43,68
October	.	527,00	332,50	32,12	53,01	417,27	39,55
November	.	525,78	333,30	32,14	55,18	414,68	39,76
December	.	523,56	331,70	31,82	51,11	412,88	42,05
1954—							
January	.	518,39	328,25	33,15	40,97	436,74	50,07
February	.	518,17	330,04	32,00	38,81	460,49	56,12
March	.	523,91	328,18	31,71	39,27	467,00	66,90
April	.	541,14	327,36	32,33	43,11	478,09	75,08
May	.	537,40	328,96	32,98	41,42	484,19	75,04
June	.	542,77	332,12	32,98	41,75	472,73	66,90
July	.	548,64	340,15	30,87	45,18	460,16	61,22
August	.	552,99	349,12	30,45	54,43	444,15	56,82
September	.	557,99	351,46	32,17	60,58	447,83	53,19
October	.	557,48	454,40	33,81	63,89	448,99	49,97
November	.	569,56	363,68	33,08	71,03	446,11	47,87
December	.	572,16	365,98	34,61	68,45	463,33	43,79

NOTE.—(1) Figures from July 1948 relate to Indian Union only.

(2) From November 1951, excludes 'Money at call and short notice in India' and 'Bills purchased in India'.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT XII.—*Monthly Cheque Clearance and Call Money Rate—Bombay and Calcutta*
 (Source: Reserve Bank of India)

Monthly average or Calendar months	Monthly cheque clearance (in crores of rupees)	Inter-Bank Call Rates*		Monthly average or Calendar months	Monthly cheque clearance (in crores of rupees)	Inter-Bank Call Rates*	
		Bombay per cent.	Calcutta per cent. per annum			Bombay per cent.	Calcutta per cent. per annum
1953—							
1939	. . .	172·7	19/32	1-13/32	January	. . .	552·1
1940	. . .	173·6	11/16	21/32	February	. . .	523·4
1941	. . .	204·0	9/32	1	March	. . .	615·3
1942	. . .	215·8	9/32	1	April	. . .	586·1
1943	. . .	337·4	1/4	1	May	. . .	543·2
1944	. . .	432·2	1/4	1	June	. . .	534·7
1945	. . .	499·5	1/4	1	July	. . .	571·9
1946	. . .	574·2	1/2	1	August	. . .	484·8
1947	. . .	512·2	1/2	1	September	. . .	526·4
1948	. . .	555·8	1/2	1	October	. . .	504·6
1949	. . .	527·1	2/3	1	November	. . .	534·2
1950	. . .	523·2	9/16	1	December	. . .	626·5
1951	. . .	655·7	1	1	1954—		
1952	. . .	571·1	2 1/32	2 1/16	January	. . .	575·5
1953	. . .	550·3	2 7/32	2 7/16	February	. . .	576·3
1954	. . .	588·7	2 3/8	2 19/32	March	. . .	650·3
					April	. . .	625·8
					May	. . .	560·6
					June	. . .	516·8
					July	. . .	559·2
					August	. . .	544·9
					September	. . .	602·8
					October	. . .	536·7
					November	. . .	651·4
					December	. . .	664·0

*Average of Friday figures.

STATEMENT XIII.—Foreign Trade of India⁽¹⁾
 (Source: D.G.C. I & S. Calcutta, Ministry of Commerce & Industry)

(Figures in lakhs of Rupees)

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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Monthly average of calendar months	Imports of foreign merchandise			Exports of Indian merchandise			Exports of foreign merchandise		
	Food Drink and Tobacco	Raw materials and articles mainly unmanu- factured	Articles wholly or mainly manu- factured	Total Imports **†	Food, Drink and Tobacco	Raw materials and articles mainly unmanu- factured	Articles wholly or mainly manu- factured	Total Exports †	Total re- exports *
	1	2	3	4	5	6	8	9	10
1938	.	.	1,72	3,05	7,80	13,09	3,28	5,95	4,02
1948 (2)	.	.	8,88	9,44	22,75	41,39	6,59	8,22	19,89
1949	.	.	10,95	13,22	27,90	52,52	9,53	7,89	17,98
1950	.	.	7,97	14,87	20,25	43,30	10,25	8,92	24,38
1951	.	.	18,17	18,77	27,48	65,04	13,44	13,32	34,74
1952	.	.	19,44	19,18	25,13	64,54	12,20	11,90	24,48
1953	.	.	9,09	13,78	22,15	46,49	12,79	9,85	20,18
1954	.	.	6,56	15,86	24,27	47,11	15,26	8,32	21,31
1953—									
January	.	6,29	12,28	22,02	42,19	11,71	11,84	18,55	42,56
February	.	7,93	10,55	20,02	40,51	10,51	12,76	14,63	33,21
March	.	11,38	11,14	22,57	47,94	13,97	12,07	21,74	48,10
April	.	15,75	17,57	22,08	57,72	8,16	11,36	18,29	37,99

STATEMENT XIII.—Foreign Trade of India (¹)—contd.

(Figures in Lakhs of Rupees)

	Imports of foreign merchandise			Exports of Indian merchandise			Exports of foreign merchandise		
	Food, Drink and Tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total Imports ^{*+**+}	Food, Drink and Tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total Exports ^{+†}	Total Re-exports
1	2	3	4	5	6	7	8	9	10
1953—contd.									
May	.	15.28	14.80	24.93	56.84	9.30	10.02	20.06	39.89
June	.	12.49	17.46	19.56	51.67	9.11	9.64	20.21	39.27
July	.	10.87	15.83	21.97	49.95	11.93	7.76	20.19	40.27
August	.	9.67	16.69	20.63	49.13	12.05	7.32	19.17	38.89
September	.	5.38	14.86	22.89	43.26	16.23	8.07	23.86	48.33
October	.	7.51	12.63	23.10	43.58	16.17	8.45	21.68	46.67
November	.	3.48	9.89	23.63	37.34	17.14	8.81	21.33	47.65
December	.	3.11	11.69	22.41	37.68	17.21	10.10	22.50	50.87
1954—									
January	.	2.93	11.39	22.83	38.10	13.38	7.32	21.66	43.75
February	.	3.56	12.30	21.96	38.64	10.28	7.27	19.92	39.78
March	.	2.50	21.32	23.35	48.05	8.93	9.17	23.99	45.32
April	.	1.65	22.71	22.91	46.59	5.00	7.73	17.41	30.33
May	.	4.90	22.10	22.77	50.09	9.29	7.51	20.56	37.74

Note.—for footnotes *vide page 141 infra.*

EXPLANATORY MEMORANDUM: GENERAL BUDGET

EXPLANATORY MEMORANDUM: GENERAL BUDGET

STATEMENT XIII.—Foreign Trade of India ⁽¹⁾—concl.

(Figures in lakhs of Rupees)

Monthly average or calendar months	Imports of foreign merchandise				Exports of Indian merchandise				Export of foreign merchandise	
	Food, Drink and Tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total Imports **	Food, Drinks and Tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total Exports *	Total Re-exports	
				†						
I	2	3	4	5	6	7	8	9	10	
1954—contd.										
June	•	5,60	15.91	22.32	44.18	14.04	7.55	20.42	42.42	43
July	•	9.23	17.34	25.33	52.22	16.31	7.38	21.26	46.51	37
August	•	6.36	14.06	23.77	44.27	16.28	6.52	21.32	44.90	42
September	•	7.45	13.24	25.70	46.69	17.73	7.81	22.98	49.68	40
October	•	12.25	14.26	25.19	51.19	18.80	9.23	18.25	46.65	36
November	•	12.08	13.40	33.14	57.90	28.11	10.27	25.82	64.73	37
December	•	10.26	12.29	23.84	46.74	24.96	11.64	22.17	59.28	37

(1) Trade by sea and air. Trade of Kutch included from June 1948, and trade of Travancore, Saurashtra and Baroda from April 1949. Annual figures for 1938 are for Provinces of undivided India and exclusive of Government Stores. The figures of total imports, exports and re-exports include some latest adjustments.

(2) April to December.

* Includes re-exports of living animals and postal articles.

** Includes imports of living animals and postal articles and baggage.

† Includes exports of living animals and postal articles.

‡ Includes the value of certain special imports of food grains and stores from January 1953.

STATEMENT XIV.—India's Balance of Trade in Merchandise
 (Source: D. G. C. I. & S. Calcutta, Ministry of Commerce & Industry)

(In lakhs of Rupees)

Monthly average or calendar months	Exports and Re-ex- ports*	Imports*	Balance(I)
1938	14,09	13,09	+ 1,00
1948	35,53	41,39	- 5,86
1949	36,62	52,52	- 14,62
1950	45,44	43,30	- 1,05
1951	63,58	65,04	- 7,23
1952	49,31	64,54	- 15,86
1953	43,71	46,49	- 4,09
1954	46,34	47,11	- 2,08
1953—			
January	43,76	42,19	- 31
February	38,74	40,51	- 2,61
March	48,46	47,94	- 70
April	38,50	57,72	- 19,56
May	40,59	56,84	- 16,52
June	39,65	51,76	- 13,43
July	40,57	49,95	- 11,75
August	39,14	49,13	- 11,78
September	48,62	43,26	+ 2,52
October	47,35	43,58	+ 2,43
November	47,92	37,34	+ 9,61
December	51,16	37,68	+ 12,67
1954—			
January	44,07	38,10	+ 4,23
February	40,19	38,64	+ 29
March	45,79	48,05	- 3,01
April	30,89	46,59	- 16,32
May	38,30	50,09	- 12,95
June	42,85	44,18	- 2,38
July	46,88	52,22	- 6,37
August	45,32	44,27	+ 8
September	50,08	46,69	+ 1,91
October	47,01	51,91	- 6,72
November	65,10	57,90	+ 5,21
December	59,65	46,74	+ 11,09

*Trade by sea and air. Trade of Kutch included from June 1948 and trade of Travancore, Saurashtra and Baroda from April 1949.

Annual figures for 1938 are for Provinces of undivided India. 1948 figures relate to April—December.

(1) Balance, plus (+) indicates net exports and minus (—) net imports. Figures from April 1949 include land frontier trade with Pakistan, Afghanistan and Iran and exclude transit trade of foreign countries on India's border passing through Indian ports. Land Frontier trade with Burma has also been included from September 1951.

SECTION V

INCOME-TAX PAYABLE AS PERCENTAGE OF INCOME

ANNEXURES

ANNEXURE I— DISTRIBUTION OF REVENUE AND EXPENDITURE

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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Year	Tax Revenue	Net Tax Revenue	Net Revenue from Commercial Department		Net Revenue from Non-commercial Department		Optimum Receipts less Expenses (Revenue)		Current Receipts and Expenses (Receipts less Expenses) (Revenue)		Extraordinary Receipts		Total Net Revenue		Interest on Debt		Reduction of Reserves		Excess or Deficit	
			Less Receipts from Commerical Department	Less Receipts from Non-commercial Department	Less Receipts from Extraordinary Receipts	Less Expenses from Commercial Department	Less Expenses from Non-commercial Department	Less Expenses from Extraordinary Receipts	Less Receipts from Extraordinary Receipts	Less Expenses from Extraordinary Receipts	Less Receipts from Extraordinary Receipts	Less Expenses from Extraordinary Receipts	Less Receipts from Extraordinary Receipts	Less Expenses from Extraordinary Receipts	Less Receipts from Extraordinary Receipts	Less Expenses from Extraordinary Receipts	Less Receipts from Extraordinary Receipts	Less Expenses from Extraordinary Receipts	Less Receipts from Extraordinary Receipts	Less Expenses from Extraordinary Receipts
1944-45	2,52,87	7,05	2,45,82	42,18	—5	10,38	1,78	18,78	5,50	3,24,39	18,70	3,00	31,03	3,95,49	36,68	4	4,84,94	—1,60,56	—1,33,43	—1,33,43
1945-46	2,81,54	7,87	2,73,67	43,17	—52	15,23	1,67	9,41	6,93	3,49,56	30,62	3,00	21,26	3,60,23	57,75	3	4,72,99	—1,23,43	—60	—60
1946-47	2,73,04	8,91	2,64,13	10,45	48	13,92	1,37	2,46	37,00	3,20,81	36,66	5,00	2,47	1,07,37	78,90	1	3,30,41	+44,48	+44,48	+44,48
1947-48	1,76,63	3,95	1,72,68	3,28	51	—43	60	..	9,04	1,85,68	33,31	5,00	1,12	1,77,57	24,20	..	1,41,20	+50,84	+50,84	+50,84
1948-49	3,17,28	7,37	3,09,91	9,66	3,5	10,50	1,61	14,37	12,52	3,58,92	37,53	5,00	19,45	1,46,06	1,00,03	1	3,08,08	+29,79	+29,79	+29,79
1949-50	3,09,33	11,71	2,97,62	9,32	—4	9,14	1,36	1,33	14,30	3,33,93	34,43	5,00	11,54	1,48,86	99,96	..	2,99,79	+33,24	+33,24	+33,24
1950-51	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,20	3,93,46	32,73	5,00	7,03	1,64,13	1,25,60	12	3,34,24	+59,22	+59,22	+59,22
1951-52	4,56,59	12,88	4,43,71	10,29	70	8,79	1,77	5,59	23,65	4,94,40	34,00	5,00	10,91	1,70,96	1,45,45	9	3,66,41	+1,28,09	+1,28,09	+1,28,09
1952-53	3,65,02	11,02	3,54,00	8,96	55	7,22	2,91	3,91	19,90	3,97,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+38,93	+38,93	+38,93
1953-54	4,33,54	10,69	4,22,44	9,33	—62	13,14	2,91	2,51	20,22	3,79,93	35,82	5,00	11,78	1,86,30	1,32,46	7	3,71,43	+8,50	+8,50	+8,50
1954-55 (Budget)	3,69,15	12,66	3,56,49	8,82	—10	17,79	2,78	10,22	17,75	4,13,75	35,00	5,00	23,97	2,05,62	1,59,41	11	4,29,11	+15,36	+15,36	+15,36
1954-55 (Revised)	3,77,50	12,19	3,63,31	8,44	35	17,27	3,61	75	20,21	4,13,04	34,40	5,00	22,66	1,98,02	1,58,77	9	4,18,94	+5,00	+5,00	+5,00
1955-56 (Budget)	3,94,75	12,95	3,81,80	6,79	28	19,83	2,91	1,28	29,44	4,42,33	34,20	5,00	13,19	2,02,68	2,04,54	7	4,59,58	+17,35	+17,35	+17,35

NOTE I.—Account for 1947-48, 1948-49, 1949-50, 1950-51, 1951-52, 1952-53, and 1953-54 have not been finally closed and the figures given here are only provisional.

Note 2.—Figures for 1947-48 are for the period from the 15th August, 1947 to the 31st March, 1948.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

ANNEXURE II—ANALYSIS OF TAX REVENUE INCLUDED IN ANNEXURE I

Year	Revenue from Customs	Revenue from Union Excise Duties		Revenue from State Excise Duties (excluding State's share)		Revenue from Estates (excluding State's share)		Revenue from Salt		Other Tax Revenue		Total Gross Tax Revenue		Transfers to Central Road Fund		State's share of divisible Excise Duty		Union Government retained by States		Total Cost of Collection		Total net Tax Revenue.		
		Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Cost of Collection	Income from Taxes on Corporation's share)	Total Cost of Collection	Total net Tax Revenue.	
1944-45	39,76	38,14	3,97	1,64,74	1,09	..	9,29	1,24	1,96	75	2,53,89	1,02	..	2,52,87	7,05	2,45,82	..	..	..	..	..	..	..
1945-46	73,61	46,37	4,38	1,49,80	1,28	..	10,20	1,36	2,16	85	2,82,14	60	..	2,81,54	7,87	2,73,67	..	..	..	..	..	..	..
1946-47	89,22	43,93	4,40	1,30,72	1,52	..	8,97	2,01	2,52	98	2,74,46	1,42	..	2,73,04	8,91	2,64,13	..	..	..	..	..	..	..
1947-48	72,74	24,38	1,44	78,11	95	..	80	1,04	1,47	52	1,77,50	87	..	1,76,63	3,95	1,72,68	..	..	..	..	..	..	..
1948-49	1,26,16	50,63	4,07	1,39,98	1,82	..	..	3,19	1,48	3,19,96	2,68	..	3,17,28	7,37	3,09,91	..	..	..	..	..	..	..	..
1949-50	1,24,71	67,85	8,15	1,15,37	2,01	..	..	..	..	3,60	1,55	3,11,53	2,20	..	3,09,33	11,71	2,97,62	..	..	..	..	..	..	..
1950-51	1,57,15	67,54	5,91	1,25,71	2,44	..	..	..	..	6,61	1,90	3,57,01	3,40	..	3,53,61	10,25	3,43,36	..	..	..	..	..	..	..
1951-52	2,31,69	85,78	8,35	1,34,74	2,70	..	..	..	..	7,78	1,83	4,59,99	3,40	..	4,56,59	12,88	4,43,71	..	..	..	..	..	..	..
1952-53	1,73,75	83,03	6,65	1,28,25	3,04	..	..	..	..	2,02	1,33	3,87,05	5,20	16,83	3,65,02	11,02	3,54,00	..	..	..	..	..	..	..
1953-54	1,58,71	94,98	6,11	1,07,08	3,24	..	..	..	..	2,51	1,34	3,63,28	4,60	15,55	3,43,13	10,69	3,32,44	..	..	..	..	..	..	..
1954-55 (Budget)	1,75,00	1,03,30	7,42	1,09,02	3,57	25	16	..	..	2,27	1,51	3,89,84	4,40	16,29	3,69,15	12,66	3,56,49	..	..	..	..	..	..	..
1955-56 (Revised)	1,80,00	1,03,65	7,11	1,09,04	3,55	8	5	..	..	2,34	1,48	3,95,01	4,40	15,11	3,75,50	12,19	3,63,31	..	..	..	..	..	..	..
1955-56 (Budget)	1,64,50	1,32,27	7,36	1,16,73	3,85	21	13	2,20	1,61	4,15,91	4,50	16,66	3,94,75	12,95	3,81,80

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ANNEXURE III—ANALYSIS OF INTEREST PAYMENTS INCLUDED IN ANNEXURE I

Year	Interest on Unfunded Debt & other Obligations										Amounts transferred to				Total Interest Payments (net)			
	Interest on Ordinary Debt					Interest on Other Obligations					Other Heads		Total Transfers					
	Bonuses on P. O. Cert- ificates	Post Office Savings Bank	State Provident Funds	Service Funds	Railway Reserve Fund	Railway Developmen t Fund	Railway Depreciation Fund	P. & T. Renewals Re- serve Fund	Other Items	Railways	Post and Telegraphs	Stamps	Total Transfers					
1943-44	• 36.96	1,02	1,38	3,44	20	1,05	..	3,60	14	2,28	13,11	27,32	6	1,07	2,67	25	31,37	18,70
1944-45	• 45.42	1,24	1,94	3,60	11	1,27	..	3,66	17	3,98	15,97	27,10	6	1,12	2,26	23	30,77	39,62
1945-46	• 49.15	1,79	2,49	3,63	18	98	24	3,56	18	4,38	17,43	26,15	6	1,18	1,97	20	29,92	36,66
1946-47	• 13.73										16,34	13,29	1	53	82	11	14,76	2,31
1947-48	• 46.77	3,03	2,41	2,53	16	21	44	3,16	18	4,14	16,26	22,36	1	94	1,98	21	25,50	37,53
1948-49	• 47.86	3,34	2,90	3,18	16	21	42	3,35	17	2,28	16,01	23,18	1	97	2,84	2,44	29,44	34,43
1949-50	• 45.37	4,63	3,27	3,54	16	33	53	3,59	18	3,63	19,86	26,01	1	1,16	3,28	2,41	32,87	32,36
1950-51	• 46.20	4,65	3,57	3,62	15	76	65	3,58	18	6,23	23,39	26,47	1	1,30	5,19	2,62	35,59	34,00
1951-52	• 44.57	5,18	3,94	4,03	8	1,06	76	4,09	17	6,77	26,09	26,89	1	1,53	7,84	2,89	39,16	31,50
1952-53	• 52.27	6,05	4,21	4,65	14	1,12	74	3,61	17	4,89	25,58	27,41	1	1,73	9,95	2,93	42,03	35,82
1953-54	• 57.98	6,75	4,41	4,77	13	1,16	50	3,21	16	4,66	25,75	28,13	1	1,98	15,55	3,06	48,73	35,00
1954-55(Budget)	• 57.25	6,70	4,46	4,87	12	1,17	57	3,88	17	4,23	26,17	27,88	1	1,98	15,86	3,29	49,02	34,40
1954-55(Revised)	• 68.14	7,36	4,93	5,50	11	1,35	31	3,23	18	5,21	28,18	29,92	1	2,37	26,34	3,48	62,12	34,20

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ANNEXURE IV--ANALYSIS OF "OTHER EXPENDITURE" INCLUDED IN ANNEXURE I

Year	Forest Expenditure	CIVIL Administration	Famine	Superannuation	Allowance, etc.	Stationery and Printing	Miscellaneous	Commutation of Pensions	Civil Works	Salts and other Capital Revenue	Grants-in-aid, Subvention to States, etc.	Total	Total
													CIVIL EXPENDITURE
1944-45	17	24,02	..	2,73	3	3,77	6,53	-4	-2,77	2	8,75	36,68	36,68
1945-46	29	29,45	..	2,85	2,71	11,80	17,36	11	78	2	9,74	57,75	57,75
1946-47	49	39,68	..	2,80	1,55	28,43	32,78	..	4,21	2	1,72	78,90	78,90
1947-48	29	14,66	..	1,09	52	3,33	4,94	..	2,47	..	1,84	24,20	24,20
1948-49	68	35,56	..	2,50	2,32	5,07	56,89	..	3,94	..	2,96	1,00,03	1,00,03
1949-50	91	39,30	2	2,61	2,36	47,47	52,46	..	4,33	..	2,96	99,96	99,96
1950-51	1,36	48,80	6	6,99	1,54	44,28	52,87	..	6,98	..	15,59	1,25,60	1,25,60
1951-52	1,37	53,67	39	8,55	1,41	54,79	65,14	..	7,96	..	17,31	1,45,45	1,45,45
1952-53	92	51,71	13	7,84	2,64	38,25	48,86	..	7,91	..	22,80	1,32,20	1,32,20
1953-54	1,01	64,17	..	8,60	2,81	20,71	32,12	..	9,25	..	25,91	1,32,46	1,32,46
1954-55 (Budget)	1,29	86,08	..	8,46	2,06	17,90	28,42	..	11,14	..	32,48	1,59,41	1,59,41
1954-55 (Revised)	1,25	83,93	..	8,77	1,86	20,24	30,87	..	10,66	..	32,06	1,58,77	1,58,77
1955-56 (Budget)	1,80	1,13,76	..	9,13	1,98	32,11	43,12	..	11,83	..	35,93	2,04,54	2,04,54

ANNEXURE V—ANALYSIS OF EXPENDITURE ON “CIVIL ADMINISTRATION” INCLUDED IN ANNEXURE IV

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Year	General Administration	Audit	Admistratation of Justice	Jails and county settlements	Police	Ports and Pilotage	Lighthouses and Lighthships	Fiscalisational	Tribal Areas	Prayments to Crown Representative	Education	Medical	Public Health	Agriculture	Rural Development	Vocerinary	Go operation	Industries	Aviation	Broadcasting	Dept of Industries and Supplies	Miscellaneous Deptt	Total	
											GENERAL BUDGET													
1944-45	4,24	1,19	15	10	2,71	38	10	5	1,46	3,11	1,14	1,32	42	35	28	3,43	1	1	72	53	65	1,53	39,68	
1945-46	5,36	1,49	21	18	3,16	46	13	8	1,90	3,68	1,41	1,26	51	42	32	2,42	1	1,27	39	~8	3,81	29,45		
1946-47	6,16	1,72	23	11	1,02	59	10	7	2,36	4,64	4,38	1,48	85	~4	50	3,21	2	1	1,31	83	94	3,74	4,37	24,02
1947-48	3,39	1,03	8	3	62	28	3	—2	2	62	7	13	96	29	30	56	13	1	2,71	20	50	1,02	14,66	
1948-49	7,40	2,27	24	11	1,69	58	10	5	99	2,86	2,85	1,44	84	56	1,87	37	2	6,20	1,88	13,1	1,93	35,56		
1949-50	8,96	2,51	25	12	2,10	71	7	5	1,24	3,07	3,83	1,66	94	72	1,28	31	2	5,13	2,19	1,64	2,50	39,30		
1950-51	8,89	3,52	45	19	3,04	63	12	—2	1,56	3,65	4,35	3,23	132	68	2,33	2	32	3	6,55	2,89	1,72	3,33	48,80	
1951-52	9,94	4,01	42	20	3,80	72	16	1,74	3,98	5,18	4,08	1,51	80	2,21	2	32	4	6,09	2,66	195	3,84	53,67		
1952-53	9,45	4,37	17	5	2,91	83	20	2,16	4,19	6,24	3,32	72	69	2,22	30	1	5,48	2,72	1,92	1,92	3,76	51,71		
1953-54	10,06	1,81	18	4	3,16	77	19	3,03	4,06	6,80	4,30	74	87	2,34	34	1	12,38	2,39	2,09	4,21	64,17			
1954-55 (Budget)	12,40	5,44	21	5	3,85	1,02	29	4,37	4,77	8,86	12,81	1,64	2,22	4,98	1	37	1	13,87	2,51	2,24	4,16	86,08		
1954-55 (Revised)	12,24	5,43	23	5	4,06	91	31	4,37	5,65	8,66	11,01	1,58	2,10	4,90	1	36	1	12,97	2,51	4,20	83,93			
1955-56(Budget)	13,18	5,58	21	5	4,52	1,97	31	5,81	5,69	10,67	18,31	2,00	3,64	9,95	1,52	79	22	16,56	2,70	3,05	5,91	1,11,76		

ANNEXURE VI

List of New Items of Expenditure costing rupees Five lakhs and above, and included in the Budget for 1955-56.

All New Items of expenditure are shown in thick type in part III of Demand giving details of provision in each Demand. For this purpose expenditure on new schemes sanctioned in previous years is also treated as new expenditure. The list below shows with brief explanatory notes the provisions in the Budget for 1955-56 in respect of important schemes costing Rs. 5 lakhs and over:—

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF COMMERCE AND INDUSTRY		
2.—Industries		
	DEVELOPMENT OF COTTAGE & SMALL SCALE INDUSTRIES	
	The provision has been made for the development of Handicrafts, Village Industries, Silk Industry and other Small Scale Industries	3,30,00
	DEVELOPMENT OF HANDLOOM AND KHADI INDUSTRIES	
	The entire expenditure on the development of the above industries will be met from the special cess on mill-made cloth levied for the purpose	4,25,00
	NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION	
	It is proposed to make grants to the Corporation for the purpose of study, investigation and formulation of projects and building up a corps of technical and managerial staff	10,00
	DEVELOPMENT COMMISSIONER FOR SMALL SCALE INDUSTRIES	
	The provision is made to defray the expenditure on the Development Commissioner for Small-Scale Industries and his staff at headquarters in New Delhi. A sum of Rs. 2 lakhs provided for foreign experts will be met out of the deposits made by Ford Foundation	6,38
	INSTITUTES FOR SMALL SCALE INDUSTRIES	
	The provision is intended to defray expenses connected with the establishment of Four Regional Institutes of Technology for Small Scale Industries at Madurai, Bombay, Calcutta and Faridabad with four Branch units in Travancore-Cochin, Hyderabad, Uttar Pradesh and Bihar, under the control of the Development Commissioner for Small-Scale Industries. The provision includes a sum of Rs. 20 lakhs towards the cost of Equipment received from the Ford Foundation	30,15
	CONVERSION OF HANDLOOM INTO POWERLOOM	
	The provision is intended to defray expenses in connection with the conversion of handlooms into power-looms with a view to establishing economic efficiency of the Handloom Industry in pursuance of the recommendations of the Textile Enquiry Committee.	5,00

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(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF COMMERCE AND INDUSTRY— <i>contd.</i>		
2.—Industries— <i>concl.</i>	CONTRIBUTION TO THE INDIAN STANDARDS INSTITUTION	
	The provision has been made for giving grant to the Indian Standards Institution which is chiefly financed by subscriptions from members, including State Governments, and grants from the Central Government. The Indian Standards Institution formulate standards of measurement, quality and performance of materials, manufactured or consumed in India, and represent India in the International Organisation for Standardization, whose function is to co-ordinate national standards to assist international trade. Besides the contribution towards the normal expenditure of the Institution, a sum of Rs. 2 lakhs has been contributed towards the construction of their building.	7,00
	EXPORT PROMOTION COUNCILS	
	The provision is intended for contributing towards the expenses of the Export Promotion Councils which are being set up to promote exports of several commodities like tobacco, shellac, pepper, cashew-nuts, mica, engineering goods, plastics, art silk and sports goods, which contribute substantially to the country's foreign exchange earnings and to the prosperity of growers in the case of agricultural produce. The Councils will be financed partly by way of grants-in-aid from the Government of India and partly by contributions from the Industry and Trade	5,00
4.—Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	EXPENDITURE ON EXHIBITIONS, TRADE CENTRES AND SHOWROOMS ABROAD	
	The provision is intended for organising Indian Exhibitions abroad and for participating in the exhibitions and trade fairs held in the foreign countries, with a view to popularising Indian products in those countries ; and also for supply of cottage industries products to the exhibitions, trade centres and show-rooms attached to the Indian Trade Offices abroad	36,70
107.—Capital Outlay of the Ministry of Commerce & Industry.	INVESTMENT IN THE SHARE CAPITAL OF THE CIVIL EXPLOSIVES FACTORY	
	In pursuance of the decision to establish a new company for the manufacture of India's requirements of commercial blasting and high explosives, the Government of India entered into an agreement with the Imperial Chemical Industries and agreed to contribute 20% of the authorised capital of the Company. A sum of Rs. 15 lakhs has been provided for investment during the year 1955-56 . . .	15,00
	MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME	
	Provision has been made in the Budget for the estimated expenditure on the distribution of the steel proposed to be imported which includes the estimated cost based on prices in world markets and the expenditure in India on customs duty, handling and clearing charges etc. The expenditure will be recouped partly by the sale proceeds of the steel, partly by credits from the funds made available by the United States Government and partly from the Iron and Steel Equalisation Fund	15,37,71

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF COMMUNICATIONS		
AERONAUTICAL TRAINING AND EDUCATION		
9.—Aviation	Provision for the payment of subsidy to Flying and Gliding Clubs for training young men in flying and gliding	12,70
MONITORING STATIONS		
10.—Miscellaneous Expenditure under the Ministry of Communications.	Purchase of Equipment for the establishment of two monitoring stations	7,93
EQUIPMENT		
109.—Capital Outlay on Civil Aviation.	Aeronautical Communication Service Air Routes and Aerodromes Training Research and Development	1,57,90 20,03 9,84 3,12
The provision under the above heads are to be utilised for the purchase and installation of essential items of equipment of a specialised nature required for the various services like (i) Training (ii) Routes and Aerodromes (iii) Aeronautical Communication and (iv) Research and Development		
STORM DETECTING RADAR		
	Purchase of one set of storm-detecting radar for modernising the observational outfit at New Delhi airport	7,20
OVERSEAS COMMUNICATIONS SERVICE		
110.—Other Capital Outlay of the Ministry of Communications.	The provision of Rs. 40 lakhs for 1955-56 includes a sum of Rs. 24.30 lakhs for 'plant & machinery' and Rs. 15.70 lakhs for buildings.	
	Provision has been made in connection with the purchase of equipment and land and construction of buildings at Delhi, Bombay, Calcutta and Madras for the implementation of the Five Year Development Plan of the Overseas Communication Service.	40,09
INDIAN AIRLINES CORPORATION		
	Provision for payment of compensation, purchase of 5 large pressurised aircraft, other items of capital expenditure such as workshop expansion, modification of aircraft, accounting machines, for training office accommodation, etc.	4,31,46
AIR INDIA INTERNATIONAL CORPORATION		
	Provision for payment of compensation, purchase of two Comet aircraft and other items of expenditure	1,29,22
INDIAN AIRLINES CORPORATION		
120.—Loans and Advances by the Central Government.	Provision for working expenses, meeting losses and for staff housing Provision for staff of Air India International Corporation	80,00 90,00

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF COMMUNICATIONS— <i>contd.</i>		
108.—Capital Outlay on Indian (P. & T. Department not met from Revenue).	INDIAN POSTS AND TELEGRAPHS DEPARTMENT	
	Calcutta Auto Scheme	1,50,00
	Bombay Telephone Expansion—Phase I & II	39.97
	Ahmedabad Phone Expansion	6,83
	Hyderabad State Exchange Expansion	5,95
	Installation of 1,000/2,000 Auto Exchange at Poona (Shivajinagar)	10,07
	Nagpur Auto Exchange Expansion	7,04
	Madras Telephone Expansion	5,23
	Madras Central Exchange Expansion	33,84
	Expansion of Kanpur Auto Exchange	17,80
	Installation of Auto Exchange, Lucknow	11,01
	Installation of Auto Exchange, Coimbatore	5,56
	Installation of Auto Exchange, Patna	25,40
	Installation of Auto Exchange, Amritsar	20,81
	Installation of 2500 lines Auto Exchange, Karolbagh, New Delhi	19,74
	Installation of 2000 lines Auto Exchange at New Delhi Secretariat	6,77
	Construction of 300 P. & T. staff quarters at Santacruz, Bombay	7,70
	Installing 12 channel carrier between Bombay & Madras	5,86
	Erecting trunk alignment from Gauhati to Dibrugarh	6,29
	Erecting trunk alignment from Dehra Dun to Delhi	6,93
	Rehabilitation and Expansion of Telephone System at Surat	5,42
	Installation of Auto Exchange, Agra	28,63
	Expansion of Exchange, Allahabad	8,63
	Expansion of Telephone System, Banaras	7,44
	Old Delhi Tis Hazari—Exchange Expansion Scheme—Phase II	14,56
	Replacement and Expansion of Railway Mail Service Vans	10,00
	Rehabilitation and Expansion of the mechanised transport for post offices in India	10,30

No. and Name of Demand	Particulars	Budget, 1955-56]
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MINISTRY OF EDUCATION

18.—Other Scientific Departments.

AWARD OF PRACTICAL TRAINING STIPENDS

The scheme was formulated to give a two-year course of post institutional practical training in engineering and industrial establishments to selected students qualifying from engineering & technological institutions. There are two categories of stipends, namely the senior stipends of Rs. 150 per month and the junior stipends of Rs. 75 per month. The scheme has since been re-oriented in order to make it more effective. Stipends are now instituted in the training establishments and not allotted to the engineering and technological institutions as the practice hitherto. A sum of Rs. 11.88 lakhs has been included in the estimates for 1955-56 for continuance of the scheme and also to provide for increase in the number of awards in 1955-56

11,88

AWARD OF RESEARCH TRAINING SCHOLARSHIPS

The object of this scheme is to promote research development in universities and educational institutions in order to ensure a steady flow of trained research workers from universities to the national laboratories and other centres of research. From 1952-53 onwards a procedural change has been made in the system of allocation of scholarships to the institutions. Instead of instituting batches of scholarships every year as was done previously, a more or less fixed quota of scholarships has been allotted to each institution. Altogether there are at present 314 senior scholars and 235 junior scholars. The senior scholarship is of Rs. 200 p.m. and junior scholarship of the value of Rs. 100 p.m. The tenure of each scholarship is three years. A provision of Rs. 12 lakhs has been made in the budget estimates for 1955-56 for the continuance of the scheme and also to award a few more scholarships

GRANTS TO UNIVERSITIES AND INSTITUTIONS FOR DEVELOPMENT OF SCIENTIFIC AND TECHNICAL EDUCATION AND RESEARCH.

On the recommendations of the All India Council for Technical Education, the Scheme was started in 1947-48 and is now in the last stages of execution. Non-recurring expenditure upto 1953-54 for construction of building is Rs. 55.94 lakhs and for equipment Rs. 101.63 lakhs. The scheme also provided for recurring grants up to Rs. 25.45 lakhs per annum being paid to the institutions concerned. A provision of Rs. 10.34 lakhs has been made for 1955-56 to meet further expenditure under this scheme for payment of recurring grants to the non-university institutions covered by the scheme

10,34

DEVELOPMENT OF SCIENTIFIC AND TECHNICAL EDUCATION AND RESEARCH

Under the scheme for development of Scientific and technical education and research, grants are given for development of facilities for post-graduate courses, research, under-graduate courses, specialised courses, and part-time courses in engineering and technical

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF EDUCATION— <i>contd.</i>		
18.—Other Scientific Departments— <i>concl.</i>	subjects and for post graduate courses and research in basic sciences. A provision of Rs. 494.32 lakhs exists in the Five Year Plan for this purpose. A sum of Rs. 2, crores has been included in the estimates for 1955-56 to meet the requirements of non-university institutions	2,00,00
INDIAN INSTITUTE OF SCIENCE, BANGALORE		
	A scheme for the all-round development of the Indian Institute of Science, Bangalore, started in 1946-47 provided an estimated cost of Rs. 176.89 lakhs. Up to date an expenditure of Rs. 170 lakhs has been incurred. Various departments have been re-organised and new departments created. The provision made in the budget for 1955-56 will enable the institute to complete the scheme	26,93
19.—Education.	LUMP PROVISION FOR UNIVERSITY GRANTS COMMISSION	
	Consequent on the establishment of the University Grants Commission, the powers <i>inter alia</i> of deciding on the grants to be made to universities and to take all executive action in this behalf for general education as also for the development of land research in scientific and technological subjects has been vested in the Commission. A sum of Rs. 3.5 crores have been provided in the Budget Estimates for 1955-56	3,50,00
	GRANTS FOR COLLEGES IN DELHI	
	Recurring grants for maintenance and non-recurring grants for buildings to constituent Colleges of Delhi University	13,00
	GENERAL CULTURAL ACTIVITIES	
	The Government of India conscious of the importance of cultural activities for promotion of mutual understanding and good-will between India and the various foreign countries have provided a sum of Rs. 9 lakhs to continue the work of cultural relations with foreign countries. The main items to be financed out of the provision are : organising art exhibitions abroad, grants and aids to educational and cultural organisations abroad, implementation of cultural agreements, participation in international conferences and congresses, assistance to artists, musicians and dance parties to go abroad, promotion of education and Hindi abroad and other cultural activities	9,00
	CULTURAL DELEGATIONS	
	A separate provision for cultural delegations has also been made. The provision will be specifically used for sending and receiving of cultural delegations to and from foreign countries during the year 1955-56	5,00
	BASIC, SECONDARY AND SOCIAL EDUCATION, ETC.	
	Scheme for Basic, Secondary and Social Education, as envisaged in the Five Year Plan	10,00,00

EXPLANATORY MEMORANDUM: GENERAL BUDGET

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF EDUCATION—concl.		
19.—Education—concl.	Provision for Youth Welfare and Physical Education and Sports Labour and Social Service Camps	13,00 50,00
SCHOLARSHIPS TO SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES		
	Provision for about 25,000 Scholarships to Scheduled Castes, Scheduled Tribes and Other Backward Classes students for post matriculation studies. This number includes about 14,000 scholarships, out of about 21,000 scholarships awarded during 1954-55, likely to be renewed during 1955-56 and fresh scholarships numbering about 11,000	1,29,40
SCHOLARSHIPS TO FOREIGN STUDENTS STUDYING IN INDIA UNDER THE CULTURAL SCHOLARSHIPS SCHEME		
	Grant of Scholarships to foreign students—Indians permanently domiciled abroad and indigenous students selected for studies in India under the General Cultural Scholarships Scheme. It was initiated by the Government of India in 1949-50 with the award of 70 scholarships every year. The number of fresh awards made annually was raised to 100 with effect from 1952-53. Each scholar is paid a stipend of Rs. 200 p.m. besides capitation, tuition and examination fees. The schoarship is tenable for the period necessary for the student to complete the courses of study for which he has been selected subject to satisfactory progress.	7,25
INDIAN INSTITUTE OF TECHNOLOGY, KHARAGPUR		
	The provision has been made for the normal development of the Institute as envisaged in the "Sarkar Committee Report" on the recommendations of which the Institute has been established	59,56
20.—Miscellaneous Departments and expenditure under the Ministry of Education.	GRANTS FOR SOCIAL WELFARE In the Five Year Plan, a provision of Rs. 4 crores has been made with the object of giving assistance to voluntary social welfare organisations. In order to implement the programme and to promote setting up of Social Welfare organisations on a voluntary basis in places where no such organisations exist. The Government of India have set up a Central Social Welfare Board consisting of the representatives of social welfare organisations, Members of Parliament and representatives of various Ministries of the Government of India actively concerned with the Social Welfare Programmes and projects of the aided agencies; the function of the Board is also to render financial aid, when necessary to deserving organisations or institutions on a matching basis.	
	Out of the provision of Rs. 4 crores, a sum of Rs. 24 lakhs was provided during the year 1953-54 and a provision of Rs. 1.5 crores exists in the budget for the current financial year. The balance of Rs. 2.25 crores has been provided as grant in the next budget	

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF EXTERNAL AFFAIRS		
21.—Tribal Areas .	Lump provision for strengthening Assam Rifles Wireless Unit .	5,00
	Lump provision for establishing an Assam Rifles Air Despatch Unit .	5,50
	Cost of supply of free rations to North East Frontier Agency Staff .	9,07
	Cost of Relief Measures in the North East Frontier .	40,00
	Provision for establishing Communication Flight at Jorhat	10,00
22.—External Affairs	Payment of subsidies to Sikkim and Bhutan. Estimated expenditure on Indian delegations to UNO and other International Conferences .	53.25
	Expenditure on Development Measures .	7,00
	Estimated expenditure on India's Delegations to the International Supervisory Commission in Indo-China	8,24
		44,00
23.—State of Pondicherry.	Provision for purchase of medicines for Government Hospitals and Pharmacy Expenditure on payments of Pensions and Life Annuities .	10,00
	Provision for payment of arrears to Indian Railways .	7,62
	Cost of improvements to existing electricity installations to bring them up to prescribed standards .	5,00
	Provision for other development works in rural and urban areas of the former French Settlements in India	6,13
		56,39
24.—Capital Outlay of Procurement of food stuffs and other essential stores for the Ministry of External Tribal Areas		25,00
MINISTRY OF FINANCE		
25.—Ministry of Finance	MULTI-PURPOSE NATIONAL SAMPLE SURVEY	
	The NSS has been collecting, through a series of enquiries on a random sample basis, important facts regarding production, consumption and other aspects of Economic Life so as to fill the lacunae in available statistical information relating to the various types of economic activity with reference <i>inter alia</i> to planning. It is also collecting data required by other Ministries, Commissions, etc. The Budget provision also includes a sum of Rs. 15 lakhs on account of a scheme of close collaboration between the NSS and the States Statistical Bureaus	74,67
37.—Miscellaneous Departments and other Expenditure under the Ministry of Finance.	ASSISTANCE FOR NATURAL CALAMITIES AND SCARCITY AFFECTED AREAS	
	Assistance under this head is being given since 1950-51 to bear a certain portion of the expenditure incurred by the State Governments on natural calamities	3,00,00
TECHNICAL AID TO SOUTH AND SOUTH EAST ASIA UNDER THE COLOMBO PLAN		
	This amount is chargeable to the contribution of Rs. 1 crore which India as a member of the Technical Co-operation Scheme of the Colombo Plan has pledged to make over a period of seven years from June 1950 for technical assistance to the South and South East Asian countries	22,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF FINANCE— <i>contd.</i>		
INDIA'S CONTRIBUTION TO U.N.O.		
37.—Miscellaneous Departments and other Expenditure under the Ministry of Finance— <i>concl'd</i>	India has been contributing annually to the United Nations towards its Expanded Programme of Technical Assistance. Last year India contributed a sum in rupees equivalent of \$ 8300.000. As a token of the desire to expand the activities of the United Nations in providing technical assistance to under-developed countries and to be in line with other countries who have pledged to raise their contribution, India has pledged to contribute in rupees the equivalent of \$400,000 for the next year	19,05
GRANTS-IN-AID AND DONATIONS TO STATISTICAL INSTITUTE		
<p>The Indian Statistical Institute has been receiving regular grants from the Central Government since 1935. The Institute is intended to be developed as the focal centre for professional training in research on the same lines as a higher technological institute. Provision for larger grants has been made for the Research and Training Section and the International Statistical Education Centre, for work on operational research relating to planning and for Statistical quality control work</p>		
14 51		
CONTRIBUTIONS		
<p>This makes provision for grants to the Institute of Public Administration, Delhi. Larger grants are expected to be paid to the Institute in 1955-56 on account of the construction of their building (including hostel, library and staff quarters) and as recurring grant for its running expenses</p>		
17,38		
115.—Capital Outlay on Currency.	EXPANSION OF CURRENCY NOTE PRESS	
<p>The demands for Bank notes from the Reserve Bank of India have increased to such an extent (mainly due to the need for progressive elimination of King's head notes, apart from the usual increase of notes in circulation) that it is not possible to meet them in full any longer without additional machinery and additional accommodation. It is therefore, proposed to increase the capacity of the Currency Note Press by about 25%. For this purpose a scheme of expansion of the Press has been drawn up. A provision of Rs. 14.8 lakhs has been included in the Budget Estimates for 1955-56 on the basis of the anticipated progress of the work during that year</p>		
14,80		
SILVER REFINERY PROJECT		
<p>It was decided in 1952 to erect a Silver Refinery Plant at Calcutta at an estimated capital cost of Rs. 88 lakhs, in order to extract silver contents from the quartreinary coins issued during the war but subsequently withdrawn from circulation. Extraction of silver from these coins is necessary to meet the obligation to return the Lease/Lend silver to the United States of America. The work of manufacture and supply of the requisite equipment and erection thereof has been given to two foreign firms of experts, while the execution of the civil engineering work has been entrusted</p>		

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF FINANCE— <i>contd.</i>		
116.—Capital Outlay on Mints.— <i>concl.</i>	to the Central Public Works Department. The civil engineering work has already been taken in hand and is expected to be completed by the end of 1955. Two-thirds of the machinery has already been received and the balance is expected to be shipped from Germany shortly. On the basis of the latest development time-table, the entire work will be completed and the plant put into commission by the end of 1956. The provision of Rs. 36.30 lakhs included in the Budget Estimates for 1955-56 is based on the anticipated progress of the work during that year .	36,30
LOCAL WORKS		
119.—Other Capital Outlay of the Ministry of Finance.	Under the local development works programme, Central assistance is being provided since 1953-54 to all States, Local initiative and resources are drawn forth and essential works for the community such as 'repairs of wells', 'Laying out of approach roads in rural areas', 'Construction of buildings to house elementary schools, dispensaries, etc.', relate to the programme. Public subscription, voluntary labour, supply of material together with Central assistance meet the cost of such works	5,97,10
LOANS FOR UNFORESEEN NATURAL CALAMITIES		
120.—Loans and Advances by the Central Government.	Assistance under this Head is being given since 1952-53 to bear certain portion of the expenditure incurred by the State Governments on natural calamities	3,00,00
LOANS TO STATES FOR FLOOD CONTROL		
	The problem of flood control and flood protection has assumed radical importance with this year's calamitous floods in Assam, U. P., West Bengal and Bihar. A lump sum provision has been included for assistance to States in anticipation of a Plan provision for this purpose	10,00,00
LOANS FOR PERMANENT IMPROVEMENT IN SCARCITY AFFECTION AREAS.		
	The programme was sanctioned in 1953-54 as an addition to the Five Year Plan to improve the areas of the various States susceptible to chronic draught	18,00,00
LOANS FOR OTHER CORPORATIONS AND MUNICIPALITIES		
	The provision is towards Central assistance in respect of the Vaitarna-aum-tansa scheme, urban water supply schemes and construction of road over and under bridges	8,00,00
LOANS FOR MISCELLANEOUS DEVELOPMENT SCHEMES		
	The provision is towards Central assistance to State Governments for financing Miscellaneous Development Schemes in the State Plans	51,00,00
LOANS TO STATES FOR EXPANSION OF POWER FACILITIES FOR INCREASING EMPLOYMENT		
	The provision is towards Central assistance to State Governments for implementing the programme of expansion of power facilities for increasing employment opportunities	10,00,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF FOOD AND AGRICULTURE		
42.—Forest.	GRANTS TO STATES FOR SOIL CONSERVATION SCHEMES AND RESEARCH AND DEMONSTRATION CENTRES	40,00
	SOIL CONSERVATION RESEARCH AND DEMONSTRATION CENTRES	
	The Central Soil Conservation Board has established 4 Regional Demonstration and Training Centres at Dehra Dun, Bellary, Kotah and Ootacamund for tackling the important types of Soil Conservation problems in different parts of the country	12,00
43.—Agriculture.	SOIL SURVEY UNIT UNDER T. C. A. PROGRAMME	
	Under this project Soil Survey Unit will be formed at each of the centres carrying out soil survey of the 20 major soil survey regions in the country. The project will also undertake to provide effective Technical Assistance and equipments for the development of the Soil Testing service in India.	
	Closely associated with the above activity will be the determination of the relative crop producing value of different fertilizers in different types of soils in India. In order to accelerate these works the project will also provide technical assistance, improved laboratory techniques and equipments. This will be carried out on the basis of the Agronomic Trials in 40 centres. This project will also assist organisation of Soil Testing Laboratory service at Indian Agricultural Research Institute and later at the State Agricultural Experimental Stations after the necessary personnel have been trained at the Institute	5,10
	SOIL, TESTING LABORATORIES UNDER T. C. A. PROGRAMME	
	Under this project 16 Soil Testing Laboratories will be set up throughout the country for advising the farmers on the nature of soils in their fields. Equipments to establish the above 16 laboratories will be imported under the T.C.A. Programme. Apart from this it is also proposed to set up one mobile soil testing unit for use in River Valley projects and two research laboratories (one in South and the other in North), under the Central Soil Conservation Board for conducting investigations into the physics of soil water relationship	6,92
	Jute Development Scheme spread over 5 Jute growing States	17,07
	Cotton Cultivation Schemes spread over 13 Cotton growing States	25,80
	Grant-in-aid to the Indian Central Jute Committee	15,00
	Grant-in-aid to the Indian Central Tobacco Committee	16,00
GRANTS TO STATE GOVERNMENTS FOR GOSADAN SCHEMES		
	The provision denotes Central Govt.'s share in running the Gosadan Scheme by the States. The Gosadan Scheme aims at removal of useless cattle from urban and rural areas to interior of forest areas where natural fodder is in abundance. Provision proposed	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF FOOD AND AGRICULTURE—contd.		
43.—Agriculture.—contd.	is for the continuance of 29 Gosadans likely to be sanctioned by the end of the current financial year and for establishment of additional Gosadans during the year 1955-56, making a total of 40 Gosadans by the end of 1955-56	8,00
GRANTS TO STATE GOVERNMENTS FOR KEY VILLAGE SCHEMES		
	The Scheme envisages the establishment of 160 Artificial Insemination Centres with 600 Key Villages which are intensive cattle improvement areas and a Calf-subsidy Scheme for rearing of pedigreed calves on payment of a small subsidy during the plan period. About 137 A.I. Centres and 464 Key Villages have already been established. The Calf-subsidy Scheme is also being implemented in Bombay, Saurashtra, Uttar Pradesh and Delhi States in a modified form. The provision represents the Central Government's contribution for continuing the existing A.I. Centres and Key Villages and Calf-subsidy scheme as also provision for starting additional A.I. Centres and Key Villages so that the target of 160 A.I. Centres and 600 Key Villages is fully achieved by the end of 1955-56. The provision includes cost of equipments, Rs. 1.80 lakhs under Colombo Plan and Rs. 9.35 lakhs under T.C.A. Agreement	39,00
	Grants to State Governments for Dairy Schemes	27,00
	Indo-Norwegian Community Fisheries Project Centres 50% share of the rupee expenditure incurred on the Indo-Norwegian Fisheries Community Development Project in Travancore-Cochin	5,00
CENTRAL MECHANISED FARM, BHOPAL		
	The provision is to cover the recurring and non-recurring expenditure at the Central Mechanised Farm, Bhopal. The Farm has been set up with the dual object of reclamation and cultivation of 10,000 acres of waste lands by mechanical means and resettlement thereon of 1,000 families of landless labourers within a period of ten years	21,91
CENTRAL MECHANISED FARM, JAMMU		
	The provision is to cover the recurring and non-recurring expenditure at the Central Mechanised Farm, Jammu. The Farm has been set up with a view to reclaiming and bringing under cultivation 12,000 acres of land on the Indo-Pakistan border in the Jammu and Kashmir State. This is the fourth year of the scheme which will be run by the Govt. of India for a period of ten years	15,67
	Sugarcane Development Schemes in States	10,00
GRANTS FOR G.M.F. SCHEMES		
	The provision is meant for giving subsidies to States for implementation of G.M.F. Schemes and is based on the over-all provision included in the Five Year Plan	4,00,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF FOOD AND AGRICULTURE— <i>contd.</i>		
GRANTS TO STATE GOVERNMENTS		
43.—Agriculture— <i>contd.</i>	For bringing improvements in land records and agricultural statistics and training the staff to collect the statistics on scientific lines	16,00
GRANTS TO STATE GOVERNMENTS		
	For the establishment of new agricultural colleges and strengthening the existing ones	20,00
GRANTS TO VETERINARY COLLEGES		
44.—Civil Veterinary Services.	For expansion of facilities at the existing Veterinary Colleges, for training additional veterinary graduates and grants to State Governments for instituting 2 years course in Veterinary Science	30,00
BASIC AGRICULTURE SCHOOLS		
45.—Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	It includes provision for 25 new basic schools and 16 basic wings to be started during the Second Five Year Plan	51,22
GRANTS TO THE STATES		
	For Multilith equipment and photographic material imported under T.C.M. Programme for production and distribution of agricultural information material for extension workers	5,35
TRAINING OF VILLAGE LEVEL WORKERS AND EXTENSION TRAINING CENTRES		
	Provision for starting new and additional Training Centres and Extension Training Centre, Kashmir, for new Extension Training to be established for meeting the requirements of Village level works during the 2nd Plan period and training of group level Workers. The provision includes Rs. 17,12,000 being cost of material and equipment to be received under the T.C.M. Programme	64,47
	Annual contribution to the Food and Agriculture Organisation of the United Nations of which India is a Member	12,90
	Grants to State Governments for their Schemes of resettlement of landless workers	49,00
COLONISATION SCHEME OF ANDAMAN FORESTS		
56.—Andaman and Nicobar Islands.	The First Five Year Plan of India includes a 5-Year Scheme for the colonisation and Development of Andamans. This scheme envisages clearfelling of land for the settlement of refugees by the Andamans Forest Department. The amount has been provided for clearfelling work	14,00
LOANS AND ADVANCES TO STATES FOR DAIRY SCHEMES		
120.—Loans and Advances by the Central Government.	The provision is mainly intended to assist State Governments to set up cattle colonies for the large cities of Calcutta, Bombay, Delhi, etc. removed from the	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF FOOD AND AGRICULTURE— <i>contd.</i>		
120.—Loans and advances by the Central Go- vernment— <i>concld.</i>	urban areas and also to set up dry stock farms in the interior for non-milch cattle . . .	1,60,00
SPECIAL MEDIUM AND LONG TERM LOANS FOR THE DEVELOPMENT OF AGRICULTURE		
	The scheme relating to Special medium and long term loans for States forms part of the 1st Five Year Plan for augmenting the institutional credit resources of the States for the development of agriculture . . .	5,00,00
LOANS TO STATE GOVERNMENTS FOR TUBE-WELL PROJECTS		
	Loans to be sanctioned to Govts. of U.P., Bihar, Punjab and PEPSU under T.C.M. Tube-well Projects 1952 and 1953, and also 1954 project, for 3350 tube-wells. The provision includes Rs. 344 lakhs representing rupee equivalent of dollar amount which will be contributed by the Govt. of U.S.A. . . .	11,22,00
	Advances to State Governments for Jute Development Schemes	9,00
	Advances to State Govts. Cotton Cultivation Schemes	50,00
	Loans to States for their Schemes of resettlement of landless workers	40,00
	Loans to States for G.M.F. purposes. This will be utilised for giving loans to Part 'A' and 'B' States in connection with their G.M.F. Schemes	30,07,00
	Advances to Part 'C' States for G.M.F. purposes. This is for giving loans to Part 'C' States with Consolidated Fund of their own.	1,20,00
	Advances to cultivators for G.M.F. This is meant for Part 'C' States having no Consolidated Fund of their own	10,00
	Loans to States for Sugarcane Development Schemes	10,15
	Loans to States for Soil Conservation Schemes	2,00,00
	Taccavi Loans to cultivators in Kutch State.	5,00
121.—Capital Outlay on Forests.	Forest Research Institute and Colleges, Dehra Dun . . .	27,00
	Andamans Forest Department for the colonisation and development of Andamans (Includes Rs. 7.36 lakhs for equipments to be procured under the T. C. A. Programme)	16,97
123.—Other Capital Outlay of the Ministry of Food and Agriculture.	DEVELOPMENT OF MARINE FISHERIES Construction of residential quarters etc. for the Central Marine Fisheries Research Station, Mandapam . . .	6.64
	Other Capital Expenditure for the Central Marine Fisheries Research Station for Marine Fisheries Research Schemes	7.71
	Construction of Office, laboratory and residential accommodation, etc. for the Central Inland Fisheries Research Station at Barrackpore	10,45
	Research Vessels, Jeeps, etc. for the Central Inland Fisheries Research Station, Calcutta for Fisheries Research Schemes	8,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1955-56
MINISTRY OF FOOD AND AGRICULTURE—concl.		
23.—Other Capital Outlay of the Ministry of Food and Agriculture— <i>contd.</i>	Locust control equipment to be received under the Colombo Plan	6,90
	Material and equipment for development of fisheries under the T.C.A. Programme	1,54,83
	Material and equipment for development of Fisheries under the Colombo Plan	19,14
	Development of Fisheries Community Project in Travancore-Cochin under the Norwegian Aid Programme	20,00
IMPORT OF SUGAR		
	As the anticipated production will continue to be inadequate to meet the requirements of the country, it would be necessary to make up the deficit by imports during 1955-56	37,45,00
MINISTRY OF HEALTH		
7.—Medical Services	RESEARCH INTO SYSTEMS OF MEDICINE OTHER THAN MODERN MEDICINE	
	The Planning Commission have provided for Rs. 37.5 lakhs in the First Five Year Plan for research into systems of medicine other than modern medicine. It is estimated that an expenditure of about Rs. 15 lakhs will be incurred during the Plan period on the Central Institute of Research in indigenous systems of Medicine, established at Jamnagar. During the year 1955-56 it is proposed to incur an expenditure of Rs. 21.5 lakhs for research in systems of medicine other than modern medicine and also for the upgrading of Homoeopathic institutions etc. Advisory Committees on Ayurveda and Homoeopathy have been set up which will examine the schemes submitted by State Governments	21,50
CONTRIBUTORY HEALTH SERVICE SCHEME FOR CENTRAL GOVERNMENT EMPLOYEES IN DELHI AND NEW DELHI		
	With a view to provide satisfactory medical service for Central Government servants and their families in Delhi and New Delhi, the Contributory Health Service Scheme was introduced with effect from the 1st July, 1954. The scheme is confined to Delhi urban area, where there is the largest concentration of Government servants. The object of the scheme is to give free medical treatment to all Central Government employees and members of their families residing in Delhi on a nominal contribution recovered from them towards the Scheme. The total number of the persons entitled to the benefits of the Scheme is nearly 2,20,000. For the convenience of patients, besides the two hospitals viz., the Safdarjang Hospital and the Willingdon Hospital and Nursing Home, New Delhi, sixteen well-equipped dispensaries have been established in Delhi to cater to the needs of the persons entitled to the Scheme	28,15

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
48.—Public Health	MINISTRY OF HEALTH— <i>contd.</i> MATERNAL AND CHILD HEALTH SCHEME, CALCUTTA The scheme relates to the establishment of Department of Maternal and Child Health at the All India Institute of Hygiene and Public Health, Calcutta, in collaboration with UNICEF/WHO, to serve as a training centre for child health workers. The training scheme is in operation since 1953. The provision made in the budget for 1955-56 is meant for the expenditure of staff employed for the purpose. The scheme is included in the first Five Year Plan	10,00
	NATIONAL MALARIA CONTROL PROGRAMME Scheme relates to malaria control, under the first Five Year Plan, on a nation-wide basis to protect the population in the malarious parts of the country. Free Supply of D.D.T. transport, equipment etc. procured through T.C.A. is made to State Governments who on their part provide operational costs including cost of personnel. The scheme is in operation since 1953-54. The provision in 1955-56 is meant to cover the T.C.A. and Central Government's share of expenditure for the period in question	2,46,84
	NATIONAL FILARIA CONTROL PROGRAMME This is a demonstration project for the control of Filariasis in 13 States in India where the disease is prevalent. The Scheme is included in the Five Year Plan. Free supplies of transport, equipment and medicine, procured through T.C.A. are made to State Governments who on their part provide for the operational costs including cost of personnel. Provision during 1955-56 will cover the T.C.A. and Government of India's share of expenditure for the period in question	25,29
	CENTRAL LEPROSY TEACHING & RESEARCH INSTITUTE The Institute is being established in Chingleput, Madras in collaboration with the Government of Madras and is meant for doing research in Leprosy and for training leprosy workers from all over India. The scheme is included in the Five Year Plan. The Institute will be administered by a Governing Body to whom grants will be paid by the Government. The provision during 1955-56 is meant to cover the cost of staff, etc. and also non-recurring expenditure on buildings	11,50
	LEPROSY CONTROL SCHEME The scheme, under the Five Year Plan, contemplates the establishment of Study and Treatment Centres and subsidiary Centres in the various States where leprosy is a problem. The cost of the scheme is shared between the Centre and States concerned in agreed proportions. Provision in 1955-56 covers the Centre's share of expenditure	20,00
	SCHEME REGARDING ESTABLISHMENT OF MATERNITY AND CHILD WELFARE CENTRES With a view to providing improved health services, particularly in the backward areas of the States in the Union, a scheme for the establishment of as large a	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
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MINISTRY OF HEALTH—*contd.*48.—Public Health—*contd.*

number of Maternity and Child Welfare Centres in rural areas as possible was formulated by the Government of India. It was suggested to the State Governments that the existing dispensaries in the rural areas should be made the focal points for maternal and child health services with a view to developing them into Health Centres of the primary type. The scheme envisages the establishment of 200 Maternity and Child Welfare Centres—each centre with one or more sub-centres to serve a population of about 60,000. The scheme is thus intended to provide health services for 12 million people residing in the rural areas of the various States. Provision of Rs. 30 lakhs has been made in the budget estimates of 1955-56

30,00

SCHEME FOR THE ESTABLISHMENT OF HEALTH CENTRES IN NATIONAL EXTENSION SERVICE BLOCKS

With a view to promoting health services in the National Extension Service Blocks a scheme has been formulated to establish health centres in the Block areas with Central assistance to the State Governments and a provision of Rs. 50 lakhs has been made for the purpose in the revised first Five Year Plan. The proposed Health Centre will have a dispensary at the Headquarters of the Block area from whom a team of workers would cover the surrounding area. This team would be a group of itinerant workers who will look after the health needs of the area in both the curative and preventive aspects.

It is proposed to open 84 such Health Centres in the National Extension Service Development Blocks in the various States. A provision of Rs. 45 lakhs has been made in the B. E. 1955-56

45,00

SCHEME FOR THE TRAINING OF HEALTH PERSONNEL FOR COMMUNITY PROJECTS

In order to mitigate the shortage of health personnel required for maternity and child welfare centres in rural areas under the Community Development Projects which are being organised in India, it was proposed to arrange additional facilities for the training of such personnel *viz.*, Health Visitors, Midwives and Auxiliary Nurse-Midwives with financial assistance from the Central Government. The provision is for the continuance of the programme started in 1954-55

12,13

FAMILY PLANNING SCHEME

The provision is made to grant subsidies to State Governments and voluntary organisations and for research schemes etc. The provision also includes training programme and education in family planning

33,65

CONTRIBUTION TO W.H.O.

49.—Miscellaneous expenditure under the Ministry of Health.

The World Health Assembly of all Member States decides each year the amount of the W.H.O. Budget for the succeeding year. Each Member State then contributes a proportion of the total budget according to a fixed scale which is at present the same as that laid down by the United Nations General Assembly. India has been assessed at U.S. \$ 304,970 as its contribution to W. H. O. for the year 1955

16,05

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF HEALTH—concl.		
CONTRIBUTION TO UNICEF		
49.—Miscellaneous expenditure under the Ministry of Health—concl.	The Executive Director, UNICEF made an appeal to the Government of India that in view of the reduction in the U. S. A.'s contribution to the funds of the UNICEF and the country's offer to contribute \$ 1 to match each \$2 contributed by other member countries, the annual contribution of the Government of India may be increased. In view of the general assistance which is being rendered by the UNICEF to this country, it was decided to increase the Government of India's contribution for 1955 by Rs. one lakh, bringing the contribution for that year to Rs. 16 lakhs.	16,00
MINISTRY OF HOME AFFAIRS		
PURCHASE OF TWO SEA-GOING VESSELS		
56.—Andaman and Nicobar Islands.	The Andaman Administration have no sea-going vessel which can be utilised for guarding the sea-coasts. To enable the police to take effective measures for checking smugglers and poachers, it has been decided to provide the Administration with two sea-going vessels	13,35
PURCHASE OF A COASTAL SEA-CRAFT FOR INTER-ISLANDS COMMUNICATION		
The Andamans comprise of more than 200 Islands. There are some 20 Islands in Nicobar group. For proper control and supervision of these Islands as also for execution of development and colonisation scheme of the Islands, provision of a suitable vessel for inter-Islands communication is considered necessary. At present no suitable vessel for the inter-Islands communication is available with the Andaman Administration		
CHARTER OF A SECOND SHIP FOR INDIA-ANDAMANS SERVICE		
Previously there was only one vessel viz., S. S. "Maharaja" chartered for India-Andamans service. Since 1949 the cargo movement has been beyond the capacity of one vessel (S. S. "Maharaja") and to cope with the increase in traffic a second ship S. S. "Bharatkhand" was being hired from year to year. But as this arrangement was not found satisfactory the ship was re-delivered to the owners and it has been decided to charter another ship in her place. The provision is made for this second ship		
COLONISATION SCHEME		
120.—Loans and Advances by the Central Government.	A five year scheme for development and colonisation of Andaman and Nicobar Islands, as part of the Five Year Plan, has been sanctioned. The scheme envisages clearing of 20,000 acres of forest land in the Andamans so as to make it available for cultivation to 4,000 agricultural families (20,000 persons) from India during the next five years or so. Each settler family is given a recoverable advance of Rs. 2,000. The provision of Rs. 12,00,000 is intended to arrange settlement of 600 families during 1955-56. The balance of Rs. 40,000 is intended to be utilised for giving loans to Co-operative Bank and Societies.	12,40

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF INFORMATION AND BROADCASTING		
62.—Ministry of Information and Broadcasting	Display publicity through posters, folders, press and advertisements, cinema slides, hoarding, blotters, calendars etc., on behalf of various Ministries of the Govt. of India (excluding Railways) and their attached and subordinate offices as also publicity for the Five Year Plan	26,00
63.—Broadcasting	Expenditure on transmitters to come on the air during 1955-56	8,00
	Expenditure on improvement of programme in All India Radio	10,00
	Grants-in-aid to State Governments for Community Listening Scheme	40,00
64.—Miscellaneous Expenditure under the Ministry of Information and Broadcasting.	Charges on Film production	28,28
126.—Capital Outlay on Broadcasting.	Provision for installation of new transmitters at various States	68,79
MINISTRY OF IRRIGATION AND POWER		
67.—Multipurpose River Schemes.	VINDHYA PRADESH PROJECTS At the instance of the Government of Vindhya Pradesh, the C.W. & P. C. are to carry out surveys and investigations on nine irrigation and power schemes with a view to consider their feasibility for inclusion in the Second Five Year Plan. A provision of Rs. 6 lakhs has been made for this purpose	6,00
FLOOD PROTECTION MEASURES IN BRAHMAPUTRA, GANGA AND DECCAN RIVER BASINS		
	A Flood Control Wing has been set up in C. W. & P. C. to prepare integrated plans for the flood control in the basins of the Ganga, the Brahmaputra and the Central India and Deccan Rivers. A field investigation circle had been formed for each of the above three basins. They have been entrusted with the work of carrying out intensive investigations and surveys and collecting data which are essential for drawing up the integrated plans. Aerial and photographic surveys, spot-levelling and the preparation of mosaics will be done by the Survey of India. The estimate includes provision for the various investigation works, viz., topographic surveys, hydrological, meteorological observations, tools and plants, communications, constructions of temporary sheds, maintenance of vehicles, transportation charges, etc. The recurring expenditure on the establishment maintained in the C.W. & P. C. (headquarters office) and in the three field circles will be of the order of Rs. 15 lakhs per annum. A total provision of Rs. 67 lakhs has been made in B.E. 1955-56	67,00

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1955-56
MINISTRY OF IRRIGATION AND POWER (<i>concld.</i>)		
67.—Multipurpose River Schemes— <i>concld.</i>	PRELIMINARY EXPENDITURE ON TWO TECHNICAL CENTRES	
	In order to impart training to foremen, operators and mechanics on the running and maintenance of specialised equipment used on river valley projects, it is proposed to open two training centres—one at Hirakud and another at Kotah. The non-recurring expenditure on the scheme amounts to Rs. 30,79,200 and the annual running expenditure Rs. 10,36,000. The provision represents only expenditure on the construction of buildings, <i>viz.</i> , residential quarters for staff, hostel for trainees, office and lecture halls and garages for machinery . . .	6,04
20.—Loans and Advances by Central Government.	LOANS TO STATE GOVERNMENTS FOR IRRIGATION PROJECTS	
	Damodar Valley Corporation	14,46,50
	Bhakra Nangal Project	22,28,00
	Harike Project	43,00
	Hirakud Dam Project	17,38,00
	Lump provision for new projects included in the Plan <i>viz.</i> , Kosi, Chambal, Koyna, Krishna and Rihand .	26,00,00
	Irrigation and Power Schemes in Vindhya Pradesh .	75,00
	Electricity Schemes in Bhopal	18,26
	Electricity Schemes in Himachal Pradesh	6,85
	Loans to Delhi Electricity Board	50,00
MINISTRY OF LABOUR		
71.—Miscellaneous Departments and Expenditure under the Ministry of Labour.	EMPLOYEES' STATE INSURANCE CORPORATION	
	According to the Employees' State Insurance Act, 1948, the Central Government is to grant to the Employees' State Insurance Corporation, a sum equal to 2/3rd of their administrative expenses. A provision of Rs. 30 lakhs has accordingly been made . . .	30,00
INTERNATIONAL LABOUR ORGANISATION		
	India's share of contribution to the International Labour Organisation as a Member Country	12,40
MINISTRY OF LAW		
74.—Ministry of Law	ELECTION CHARGES	
	The provision of Rs. 1.18 crores is required for (I) payments to State Governments towards Central Government's share of the extra expenditure incurred in connection with the preparation and printing of electoral rolls and conduct of elections and bye-elections to Parliament and (II) Election Tribunals . . .	1,18,80

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH		
77.—Survey of India	Lump sum provision for additional staff and incidental expenditure in connection with the expansion programme of the Survey of India	16,44
78.—Botanical Survey	Reorganisation and expansion of the Botanical Survey of India	11,06
go.—Geological Survey	Provision for further expansion of the Geological Survey of India under the Five Year Plan	21,04
	Provision for staff and equipment required by the Geological Survey of India in connection with the Exploratory Tube Well Project	10,51
81.—Mines.	EXPANSION SCHEME	
	Expansion of Divisions other than Mining and Drilling in the Indian Bureau of Mines. This includes a provision of Rs. 16,19 for the equipment expected under Technical Co-operation Administration	22,26
ROUREKELA PROJECT		
82.—Scientific Research	The provision has been made for carrying out the work of detailed prospecting and developing of minerals particularly iron ore on behalf of the Hindustan Iron and Steel Co. Ltd.	8,63
	Grants-in-aid to the Council of Scientific and Industrial Research	2,20,00
	The Government of India have been giving grants-in-aid to certain research institutes which play an important part in the scientific advancement of the country both by carrying out research and by training the young scientists in the various specialised researches going on at the institutes. To enable them to meet their recurring as well as non-recurring expenditure, a provision of Rs. 36.06 lakhs has been made in the next year's budget. It also includes a provision of Rs. 5 lakhs made for the Biological Sciences. Among the institutes and scientific societies which have been in receipt of grants mention may be made of :—	
1.	Indian Association for the Cultivation of Science, Calcutta.	
2.	Indian Academy of Sciences, Bangalore.	
3.	Bose Institute, Calcutta.	
4.	Birbal Sahni Institute of Palaeobotany, Lucknow.	
5.	National Institute of Sciences of India, New Delhi.	
6.	Himalayan Mountaineering Institute.	
7.	Indian Science Congress Association.	
8.	Bombay Natural History Society	36,06

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH—concl.		
130.—Capital Outlay of the Ministry of N.R. & S. R.	GRANTS IN AID TO C.S.I.R.	
	The provision is required for the construction of buildings and purchase of capital equipment for the National Laboratories and the Institutes etc.	79,00
OIL EXPLORATION SCHEME		
	The provision is required in connection with the agreement with Standard Vacuum Oil Co. for exploration for petroleum and production of petroleum	29,00
MINISTRY OF PRODUCTON		
SUBSIDY TO SHIP-BUILDING INDUSTRY]		
87.—Other Organisations under the Ministry of Production.	Provision to bear, within certain limits, the difference between the building costs of ships at Visakhapatnam Yard and U. K. yards as subsidy to enable the Hindustan Shipyard Ltd., to sell their ships at the U. K. parity prices	60,0.
131.—Capital Outlay of the Ministry of Production	Capital Outlay on Salt Works	10,00
NATIONAL INSTRUMENTS FACTORY		
	Provision for the construction of new buildings for the factory, purchase of new machinery, manufacture of optical glass and linen measuring tapes in the factory	38,26
HEAVY ELECTRICAL EQUIPMENT FACTORY		
	The Production and Distribution Committee of the Cabinet recognised that the manufacture of heavy electrical equipment in India is an urgent necessity and, therefore, early steps should be taken to this end. The provision is required to meet charges on the project reports and the preliminary expenditure on the start up of the project	15,00
ESTABLISHMENT OF SYNTHETIC OIL PLANT		
	Provision for the preliminary expenses of the project such as Project Reports, land acquisition, etc.	10,00
GOVERNMENT COLLIERIES		
	The ownership of the Railway Collieries vested in the Ministry of Railways (Railway Board) upto 31st March 1954 and accordingly funds required for the revenue transactions and the capital expenditure were provided in the Railway Budget. With the transfer of ownership of the Government Collieries to the Ministry of Production with effect from 1st April, 1954, necessary funds have now been provided in the Civil Budget	1,82,88

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF PRODUCTON— <i>contd.</i>		
31.—Capital Outlay of the Ministry of Production— <i>contd.</i>	LIGNITE DEVELOPMENT PROJECT, MADRAS	
	According to the Operational Agreement (No. 16) under the Technical Co-operation Assistance Programme between the Governments of India and the U. S. A., the latter Government have agreed to make available \$250,000 (or Rs. 11.88 lakhs) for financing the Lignite Development Project. The Central Government have taken interest in this project and according to present trends it appears that if the scheme proves to be economical, the Central Government themselves might like to undertake the development of Lignite. According to rough estimates furnished by Madras Government, the total cost of the scheme is Rs. 17 crores. A provision of Rs. 25 lakhs has been made for this scheme	25,00
EXPANSION OF FERTILIZER PRODUCTION—ADDITIONAL FERTILIZER FACTORIES		
	The Production Committee of the Cabinet have set up a Special Committee on which technical officers have been included to study the expansion of fertilizer production in India. Provision is required to meet the preliminary expenses of this scheme. Besides this, a sum of Rs. 150 lakhs has been provided for loan to S.F. & C. L. for the expansion of the factory	20,00
PURCHASE OF SHARES IN HINDUSTAN SHIPYARD LIMITED		
	In view of the importance of the ship-building industry, Government acquired a controlling interest in the Visakhapatnam Shipyard. In accordance with the Promoters Agreement, Government decided to pay Rs. 168.90 lakhs in five annual instalments of Rs. 33.78 lakhs. Besides these instalments, Government will henceforth acquire new shares against the money advanced to the Shipyard for development purposes, hence increased provision. Apart from this a sum of Rs. 10 lakhs will be advanced as Debenture loan to Hindustan Shipyard Ltd., for Dry Dock	83,78
PURCHASE OF SHARES IN HINDUSTAN STEEL LIMITED		
	Includes provision for Share Capital to meet the expenditure on the Hindustan Steel Ltd., such as town planning, construction of Factory buildings, etc.	5,00,00
PURCHASE OF SHARES IN HINDUSTAN CABLES LIMITED		
	Includes provision for share capital to meet the capital requirements of the Hindustan Cables Ltd. Apart from this a sum of Rs. 33 lakhs will be advanced as Debenture loan to the Company	7,00
PURCHASE OF SHARES IN HINDUSTAN INSECTICIDES LIMITED		
	Includes provision for share capital to meet the expenditure on the Hindustan Insecticides Limited and Rs. 5 lakhs for expansion	22,00

EXPLANATORY MEMORANDUM: GENERAL BUDGET

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(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF PRODUCTION— <i>concl.</i>		
#31.—Capital Outlay of the Ministry of Production— <i>concl.</i>	PURCHASE OF SHARES IN HINDUSTAN ANTIBIOTICS LIMITED	
Includes provision for share capital to meet the Capital requirements of the Hindustan Antibiotics Ltd. Apart from this a sum of Rs. 40 lakhs will be advanced as loan to the Company. The control and management of the Penicillin Factory was transferred to this company 100 % owned by Government, with effect from 1st June, 1954		
		46,47
MINISTRY OF TRANSPORT		
#33.—Ministry of Transport	The provision is intended for promotion of tourist traffic and will be spent on production of tourist guide books etc. purchase of photographs and display racks and for meeting expenses of the Conference of the International Union of Travel Organisation to be held in India	5,00
95.—Light Houses and Light Ships	Provision has been made in respect of improvement to and development of Light houses and Lightships with a view to bringing them to the international standards for safety of navigation in and around the coast of India	48,49
97.—Communications (including National Highways).	Original works on roads other than National Highways in the Part C and D States of Manipur, Tripura and Andaman and Nicobar Islands	6,34
	Maintenance of roads classed as National Highways in the various Parts A, B & C States, Sikkim and the Pathankot-Jammu Road	4,50,00
	Maintenance of roads other than National Highways in the Part C and D States of Manipur, Tripura, Kutch, Andaman and Nicobar Islands and Sikkim	42,00
	Purchase of tools and plant for construction and development of Roads	6,50
68.—Miscellaneous expenditure under the Ministry of Transport	Contribution to Ganga-Brahmaputra Water Transport Board. This includes a provision of Rs. 26 lakhs for the purchase of craft for the pilot project	28,00
#33.—Capital Outlay on Ports	Capital Outlay on Kandla Port	4,00,00
	Development of Township of Gandhidham, Kandla	77,00
#34.—Capital Outlay on Roads.	Construction and improvement of National Highways in the various Part A, B & C States, Sikkim and the Pathonkot—Jammu Rood	8,00,00
	Construction and development of roads other than National Highways in the Part C and D States of Manipur, Tripura and Kutch, Andaman and Nicobar Islands, Sikkim and the Tribal Areas of Assam and certain other Roads	3,30,00

(In thousands of Rupees.)

No. and Name of Demand	Particulars	Budget, 1955-56
MINISTRY OF TRANSPORT—concl.		
134.—Capital Outlay on Roads— <i>contd.</i>	Construction and development of State Road, of economic or inter-State importance. Under this scheme, financial assistance is given to States for the development of the following categories of roads, which were not included in the Plan :	
	(a) Inter-State roads necessary for ensuring through communications ;	
	(b) Roads required for opening up new areas to which railway facilities cannot be provided in the near future; and	
	(c) Roads which can contribute materially to rapid economic development of the country	5,00,00
135.—Other Capital Outlay of the Ministry of Transport.	It is considered essential that a nucleus fleet of two medium sized tankers should be acquired by the Government for commercial operation in the coastal trade of India in the first instance, at a cost not exceeding Rs. 2 crores. The provision of Rs. 1 crore for the year 1955-56 would enable the Government to meet their commitments to acquire one tanker from abroad either by secondhand purchase or by new construction and also to place an order for another at the Hindustan Shipyard Ltd	1,00,00
MINISTRY OF WORKS, HOUSING & SUPPLY		
136.—Loans and Advances by the Central Government.	For grant of loans to State Governments and to Industrial Worker's Co-operatives through State Governments for construction of tenements for Industrial Workers	2,00,00
	For grant of loans to Housing Finance Corporations, Co-operative Housing Societies, individuals or co-operatives of low Income Group and Middle Income Group, etc. through State Governments for construction of houses	5,00,00
	For grant of loans to State Governments for slum clearance	5,00,00
	For grant of loans to employers for construction of tenements for Industrial Workers	1,00,00
INDUSTRIAL HOUSING SCHEME		
138.—Other Capital Outlay of the Ministry of W., H. & S.	Under the 'Subsidised Industrial Housing Scheme', subsidies are paid by the Government of India on the cost of construction of houses built, according to the pattern set by the Government of India for industrial labour, by State Governments Statutory Housing Boards, Private Employers and registered Co-operative Societies of Industrial Workers	4,00,00

EXPLANATORY MEMORANDUM: GENERAL BUDGET
ANNEXURE VIII

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The statement below gives a broad analysis of the receipts and disbursements of the Central Government in 1955-56 showing separately the transactions in India and outside the country. The net disbursement abroad of Rs. 118·53 crores does not include expenditure financed by remittances from the country through banking channels, the amount of which is, however, very small.

				(In lakhs of Rs.)		
RECEIPTS				India	Abroad	Total
Revenue	.	.	.	4,93,84	96	4,94,80
Capital Receipts	.	.	.	36	..	36
Loans raised	.	.	.	2,25,76	16,13	1,41,89
Floating Debt (net)	.	.	.	3,40,00	..	3,40,00
Small Savings (net)	.	.	.	51,60	..	51,60
Inter-State Debt Settlements (net)	.	.	.	4,23	..	4,23
Repayment of loans to Central Government	.	.	.	31,05	..	31,05
Other Debt and Deposit transactions (net)	.	.	.	1,12,59	..	1,12,59
				TOTAL	11,59,43	17,09
Opening Balance	.	.	.	48,70	1,31	50,01
				GRAND TOTAL	12,08,13	18,40
				12,26,53		
DISBURSEMENTS						
Expenditure met from Revenue	.	.	.	4,82,46	29,68	5,12,14
Capital Outlay	.	.	.	1,39,84	83,46	2,23,30
Loans repaid	.	.	.	69,85	3,20	73,05
Loans by the Central Government	.	.	.	3,35,65	..	3,35,65
Other Debt and Deposit transactions (net)	.	.	.	..	19,28	19,28
				TOTAL	10,27,80	1,35,62
Closing Balance	.	.	.	61,80	1,31	63,11
				GRAND TOTAL	10,89,60	1,36,93
				12,26,53		
				Net	+ 1,31,63	— 1,18,53
						+ 13,10

Taking the budget, as a whole, and allowing for an expansion of about Rs. 340 crores of floating debt, transactions in India are estimated to give a surplus of Rs. 131·63 crores and transactions abroad a deficit of Rs. 118·53 crores. The net result is a surplus of Rs. 13·10 crores reflected in the closing balance of Rs. 63·11 crores at the end of the year.

ANNEXURE IX

Statement showing the distribution by Demands for Grants of the expenditure shown by heads of account in the Budget of the Central Government for 1955-56.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure	Net expenditure shown in the Budget
1. Expenditure met from Revenue— Direct Demands on the Revenue—				
1. Customs . . .	26. Customs	3,40,60		3,40,60
2. Union Excise Duties	27. Union Excise Duties	22,38,41	-1,76,95	20,61,46
3. Corporation Tax . . .	28. Taxes on Income including Corporation Tax . . .	88,82		88,82
4. Taxes on Income other than Corporation Tax . . .	28. Taxes on Income including Corporation Tax . . .	2,96,00	..	2,96,00
	59. Tripura . . .	4		4
	TOTAL—TAXES, ETC	2,96,04		2,96,04
5. Estate Duty . . .	28. Taxes on Income including Corporation Tax . . .	13,23		13,23
6. Opium . . .	29. Opium . . .	1,72,07		1,72,07
7. Land Revenue . . .	52. Delhi . . .	20	..	20
	56. Andaman and Nicobar Islands . . .	30	..	30
	57. Kutch . . .	15,75	..	15,75
	58. Manipur . . .	3,06		3,06
	59. Tripura . . .	5,20		5,20
	TOTAL—LAND REVENUE	24,51		24,51
8. State Excise Duties . . .	57. Kutch . . .	24	..	24
	58. Manipur . . .	22	..	22
	59. Tripura . . .	57		57
	TOTAL—STATE EXCISE DUTIES . . .	1,03		1,03
9. Stamps . . .	30. Stamps . . .	1,37,34	-4,84	1,33,00
	56. Andaman and Nicobar Islands . . .	1	..	1
	57. Kutch . . .	12	..	12
	58. Manipur . . .	8	..	8
	59. Tripura . . .	20		20
	TOTAL—STAMPS	1,38,25	-4,84	1,33,41
10. Forest . . .	42. Forest . . .	95,93	-4	95,52
	56. Andaman and Nicobar Islands . . .	81,97	-9,80	72,17
	57. Kutch . . .	1,79	..	1,79
	58. Manipur . . .	1,98	..	1,98
	59. Tripura . . .	8,93	..	8,93
	TOTAL—FOREST	1,90,60	-10,21	1,80,39

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Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
11. Registration . . .	57. Kutch . . .	10	..	10
	58. Manipur . . .	23	..	23
	59. Tripura . . .	53	..	53
	TOTAL—REGISTRATION . . .	86	..	86
12. Charges on Account of Motor Vehicles Act.	57. Kutch . . .	11	..	11
	59. Tripura . . .	5	..	5
	TOTAL—CHARGES ON ACCOUNT OF MOTOR VEHICLES ACT . . .	16	..	16
13. Other Taxes and Duties	57. Kutch . . .	52	..	52
	58. Manipur . . .	36	..	36
	59. Tripura . . .	1	..	1
	TOTAL—OTHER TAXES ETC. . .	89	..	89
	TOTAL—DIRECT DEMANDS ON THE REVENUE . . .	35,05,47	—1,92,00	33,13,47
<i>Irrigation Works—</i>				
18. Other Revenue Expenditure	57. Kutch (a) . . .	2,34	—5	2,29
	58. Manipur . . .	3,50	..	3,50
	66. Irrigation . . .	25	..	25
	TOTAL—OTHER REVENUE EXPENDITURE . . .	6,09	—5	6,04
19. Construction of Irrigation Works financed from ordinary revenue . . .	57. Kutch . . .	5,55	..	5,55
	59. Tripura . . .	1,81	..	1,81
	TOTAL—CONSTRUCTION OF IRRIGATION WORKS, ETC. . .	7,36	..	7,36
	TOTAL—IrrIGATION WORKS . . .	13,45	—5	13,40
20. Posts and Telegraph Interest on Debt . . .	6. Indian Posts and Telegraphs Department(b) . . .	2,37,44	—45	2,36,99
22. Interest on Debt and other obligations . . .	Interest on Debt and other obligations . . .	96,32,22	—62,12,22	34,20,00
23. Appropriation for reduction or Avoidance of Debt.	Ditto . . .	5,00,00	..	5,00,00
<i>Civil Administration—</i>				
25. General Administration . . .	1. Ministry of Commerce and Industry . . .	82,00	..	82,00
	5. Ministry of Communications . . .	11,65	—2,85	8,80
	11. Ministry of Defence . . .	30,74	..	30,74
	16. Ministry of Education . . .	54,50	..	54,50
	22. Ministry of External Affairs . . .	88,02	—47	87,55
	25. Ministry of Finance . . .	1,85,11	— 2,32	1,82,79
	31. Payment to other Governments, Departments, etc. . . .	11,06	..	11,06

(a) See also head XVII on page 191.

(b) See also head XIX on page 191.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e. amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
25. General Administration—contd.				
41. Ministry of Food and Agriculture . . .	62,99	—92	62,07	
46. Ministry of Health . . .	7,98	..	7,98	
50. Ministry of Home Affairs . . .	2,10,56	—3,12	2,07,44	
51. Cabinet . . .	31,30	..	31,30	
52. Delhi . . .	5,06	..	5,06	
56. Andaman & Nicobar Islands . . .	6,27	..	6,27	
57. Kutch . . .	8,20	—75	7,45	
58. Manipur . . .	5,97	..	5,97	
59. Tripura . . .	11,48	..	11,48	
60. Relations with States . . .	2,01	..	2,01	
62. Ministry of Information and Broadcasting . . .	41,43	—2,78	38,65	
65. Ministry of Irrigation and Power . . .	11,43	..	11,43	
69. Ministry of Labour . . .	34,30	—2	34,28	
74. Ministry of Law . . .	1,38,52	—95	1,37,57	
76. Ministry of Natural Resources and Scientific Research . . .	9,55	..	9,55	
84. Department of Parliamentary Affairs . . .	1,72	..	1,72	
85. Ministry of Production . . .	10,54	..	10,54	
90. Ministry of Rehabilitation . . .	25,65	..	25,65	
93. Ministry of Transport . . .	44,71	—4,75	39,96	
99. Ministry of Works, Housing and Supply . . .	41,62	—88	40,74	
104. Parliament . . .	1,17,53	..	1,17,53	
106. Secretariat of the Vice-President . . .	73	..	73	
<i>Staff, Household and Allowances of the President . . .</i>	16,64	..	16,64	
<i>Union Public Service Commission . . .</i>	27,09	..	27,09	
TOTAL—GENERAL ADMINISTRATION . . .	13,37,26	—19,81	13,17,45	
26. Audit . . .	32. Audit . . .	8,12,58	—2,54,48	5,58,10
27. Administration of Justice	52. Delhi . . .	1,00	..	1,00
	57. Kutch . . .	4,61	..	4,61
	58. Manipur . . .	1,29	..	1,29
	59. Tripura . . .	2,09	..	2,09
	75. Administration of Justice . . .	12,38	—3	12,35
TOTAL—ADMINISTRATION OF JUSTICE . . .		21,37	—3	21,34

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Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure in the Budget
28. Jails and Convict Settlements	56. Andaman and Nicobar Islands	54	..	54
	57. Kutch	89	..	89
	58. Manipur	1,25	..	1,25
	59. Tripura	1,77	..	1,77
TOTAL JAILS AND CONVICT SETTLEMENTS	.	4.45	..	4.45
29. Police	52. Delhi	1,54,12	-38	1,53,74
	53. Police	1,77,79	-3,10	1,74,69
	56. Andaman & Nicobar Islands	25,21	..	25,21
	57. Kutch	21,10	-59	20,51
	58. Manipur	8,53	..	8,53
	59. Tripura	26,20	..	26,20
	60. Relations with States	43,67	-8	43,59
	TOTAL—POLICE	4,56,62	-4,15	4,52,47
30. Ports and Pilotage	56. Andaman & Nicobar Islands	56,29	-17,46	38,83
	94. Ports and Pilotage	68,65	-86	67,79
	TOTAL—PORTS AND PILOTAGE	1,24,94	-18,32	1,06,62
31. Lighthouses and Lightships.	95 Lighthouses and Lightships	81,52	-50,48	31,04
34. Tribal Areas	21. Tribal Areas	5,82,67	..	5,82,67
35. External Affairs	22. External Affairs	5,89,43	-20,37	5,69,06
36. Scientific Departments	7. Meteorology	1,25,71	-4,72	1,20,99
	17. Archaeology	55,06	..	55,06
	18. Other Scientific Departments	2,77,25	-8	2,77,17
	57. Kutch	7	..	7
	70. Chief Inspector of Mines	10,31	..	10,31
	77. Survey of India	1,52,44	-58,75	93,69
	78. Botanical Survey	12,07	..	12,07
	79. Zoological Survey	5,17	..	5,17
	80. Geological Survey	74,26	-11,95	62,31
	81. Mines	56,32	25,77	30,55
	82. Scientific Research	5,18,47	1,18,61	3,99,86
	TOTAL—SCIENTIFIC DEPARTMENTS	12,87,13	2,19,88	10,67,25

EXPLANATORY MEMORANDUM: GENERAL BUDGET

((In thousands of Rupees))

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure of Demand	Recoveries taken in reduction of expenditure	Net expenditure shown in the Budget
37. Education	16. Education . . .	17,97,17	—33,37	17,63,80.
	56. Andaman & Nicobar Islands . . .	3,02	..	3,02.
	57. Kutch . . .	16,76	—25	16,51
	58. Manipur . . .	15,41	..	15,41
	59. Tripura . . .	32,33	..	32,33
	TOTAL—EDUCATION . . .	18,64,69	—33,62	18,31,07
38. Medical	47. Medical Services . . .	1,98,22	—38,07	1,60,15
	56. Andaman & Nicobar Islands . . .	6,66	..	6,66.
	57. Kutch . . .	14,09	—25	13,84
	58. Manipur . . .	6,82	..	6,82
	59. Tripura . . .	12,22	..	12,22
	TOTAL—MEDICAL . . .	2,38,01	—38,32	1,99,69
39. Public Health	48. Public Health . . .	6,49,93	—2,98,75	3,51,18
	56. Andaman & Nicobar Islands . . .	1,59	..	1,59.
	57. Kutch . . .	4,35	—79	3,56.
	58. Manipur . . .	5,11	—1,59	3,52
	59. Tripura . . .	6,02	—1,59	4,43
	TOTAL—PUBLIC HEALTH . . .	6,67,00	—3,02,72	3,64,28
40. Agriculture	43. Agriculture . . .	14,71,85	—4,92,76	9,79,09
	56. Andaman & Nicobar Islands . . .	2,02	—12	1,90
	57. Kutch . . .	6,71	..	6,71
	58. Manipur . . .	1,15	..	1,15
	59. Tripura . . .	6,56	..	6,56
	TOTAL—AGRICULTURE . . .	14,88,29	—4,92,88	9,95,41
40-A. Rural Development	45. Miscellaneous Departments and other Expenditure of the Ministry of Food and Agriculture	1,72,62	—22,47	1,50,15
	57. Kutch . . .	1,80	..	1,80
	TOTAL—RURAL DEVELOPMENT . . .	1,74,42	—22,47	1,51,95
41. Veterinary	44. Civil Veterinary Services. . .	78,06	—8,26	69,80
	56. Andaman & Nicobar Islands . . .	3,21	..	3,21
	57. Kutch . . .	2,97	..	2,97
	58. Manipur . . .	1,33	..	1,33
	59. Tripura . . .	1,29	..	1,29
	TOTAL—VETERINARY . . .	86,86	—8,26	78,60

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of Demand)	Net expenditure shown in the Budget
42. Co-operation . . .	45. Miscellaneous Departments and other Expenditure of the Ministry of Food and Agriculture . . .	20,00	..	20,00
	56. Andaman & Nicobar Islands . . .	1	..	1
	57. Kutch . . .	85	..	85
	58. Manipur . . .	1,28	..	1,28
	59. Tripura . . .	19	..	19
TOTAL.—CO-OPERATION . . .		22,33	..	22,33
43. Industry and Supply . . .	2. Industries . . .	16,50,72	—4,46,24	12,04,48
	8. Overseas Communication Service . . .	1,05,46	..	1,05,46
	57. Kutch . . .	81	..	81
	58. Manipur . . .	87	..	87
	59. Tripura . . .	2,72	..	2,72
	86. Salt . . .	1,35,74	—3,40	1,32,34
	87. Other Organisations of the Ministry of Production . . .	1,11,72	—24,00	87,72
	100. Supplies . . .	2,80,05	—1,58,68	1,21,37
TOTAL.—INDUSTRY AND SUPPLY . . .		22,88,09	—6,32,32	16,55,77
44. Aviation . . .	9. Aviation . . .	2,72,82	—2,79	2,70,03
45. Broadcasting . . .	63. Broadcasting . . .	3,13,35	—8,00	3,05,35
47. Miscellaneous Departments.	3. Commercial Intelligence and statistics . . .	53,71	—4	53,67
	4. Miscellaneous Departments and expenditure under the Ministry of Commerce and industry . . .	13,25	..	13,25
	10. Miscellaneous Departments and expenditure under the Ministry of Communications . . .	11,47	..	11,47
	20. Miscellaneous Departments and expenditure under the Ministry of Education . . .	7,76	—16	7,60
	37. Miscellaneous Departments and expenditure under the Ministry of Finance . . .	73,38	—27,04	46,34
	45. Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture . . .	14,03	—5,64	8,39
	54. Census . . .	20,00	..	20,00
	57. Kutch . . .	8	..	8
	59. Tripura . . .	1,19	..	1,19
	61. Miscellaneous Departments and expenditure under the Ministry of Home Affairs . . .	10,60	—70	9,90
	64. Miscellaneous Departments and expenditure under the Ministry of Information and Broadcasting . . .	1,20,96	—37	1,20,59

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(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
47. Miscellaneous Departments—contd.	68. Miscellaneous Departments and expenditure under the Ministry of Irrigation and power .	64,67	—22,73	41,94
	71. Miscellaneous Departments and expenditure under the Ministry of Labour .	2,93,20	—1,47,57	1,45,63
	89. Miscellaneous Departments and expenditure under the Ministry Production .	97,99	..	97,99
	103. Miscellaneous Departments and expenditure under the Ministry of Works, Housing and Supply .	15,60	—3,01	12,59
TOTAL—MISCELLANEOUS DEPARTMENTS		7,97,89	—2,07,26	5,90,63
TOTAL—CIVIL ADMINISTRATION		1,35,11,72	—23,36,16	1,11,75,56
48. Currency . . .	33. Currency . . .	2,41,97	—6,52	2,35,45
49. Mint . . .	34. Mint . . .	1,00,24	..	1,00,24
50. Civil Works . . .	96. Central Road Fund . . .	4,60,48	—10,48	4,50,00
	97. Communications (including National High-Ways) . . .	5,06,52	..	5,06,52
	101. Other Civil Works . . .	18,90,02	—13,03,05	5,86,97
TOTAL—CIVIL WORKS		28,57,02	—13,13,53	15,43,49
51-B. Other revenue expenditure connected with Multipurpose River Schemes . . .	67. Multipurpose River Schemes . . .	1,04,67	—15,34	89,33
54. Famine . . .	57. Kutch (a) . . .	5	..	5
54-A. Territorial and Political Pensions . . .	35. Territorial and Political Pensions . . .	27,33	..	27,33
54-B. Privy Purses and Advances of Indian Rulers . . .	55. Privy Purses and Allowances of Indian Rulers . . .	5,45,47	—16,00	5,29,47
55. Superannuation allowances and Pensions . . .	36. Superannuation Allowances and Pensions . . .	3,63,10	—7,29	3,55,81

(a) See also head XLI on page 191.

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(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
56. Stationery and Printing	56. Andaman & Nicobar Islands	45	..	45
	102. Stationery and Printing	6,72,77	—4,75,04	1,97,73
TOTAL—STATIONERY AND PRINTING		6,73,22	—4,75,04	1,98,18
57. Miscellaneous	4. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	51,41	..	51,41
	10. Miscellaneous Departments and Expenditure under the Ministry of Communications	7,17	..	7,17
	20. Miscellaneous Departments and Expenditure under the Ministry of Education	2,54,52	..	2,54,52
	23. State of Pondicherry	2,08,43	—21,87	1,86,56
	24. Miscellaneous Expenditure under the Ministry of External Affairs	2,05	..	2,05
	37. Miscellaneous Departments and other Expenditure under the Ministry of Finance	7,71,70	—20,63	7,51,07
	45. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	3,67,05	..	3,67,05
	49. Miscellaneous Expenditure under the Ministry of Health	88,03	..	88,03
	56. Andaman & Nicobar Islands	12,77	—2,65	10,12
	57. Kutch	8,43	..	8,43
	58. Manipur (a)	16,26	..	16,26
	59. Tripura	13,25	..	13,25
	61. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	1,73,04	..	1,73,04
	64. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	3,03	..	3,03
	68. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	4	..	4

(a) See also head XLVI A on page 191.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
57.—Miscellaneous—contd	71. Miscellaneous Departments and Expenditure under the Ministry of Labour.	47.44	—3.55	43,89
	72. Employment Exchanges	1,74.20	—67.38	1,06,82
	83. Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research	15	..	15
	89. Miscellaneous Departments and Expenditure under the Ministry of Production	15	..	15
	91. Expenditure on displaced persons	10,36,78	—13	10,36,65
	92. Miscellaneous Expenditure under the Ministry of Rehabilitation	10	..	10
	98. Miscellaneous Expenditure under the Ministry of Transport	35.21	..	35.21
	103. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	55.32	..	155.32
	108. Miscellaneous Expenditure under the Parliament Secretariat	30	..	30
	TOTAL—MISCELLANEOUS	33,26,83	—1,16,21	32,10,62
58. Defence Services, Effective—Army.	12. Defence Services, Effective—Army	1,55,88,19	—6,74,41	1,49,13,78
59. Defence Services, Effective—Navy.	13. Defence Services Effective—Navy	12,72,44	—3,60	12,68,84
60. Defence Services, Effective—Air Force	14. Defence Services, Effective Air Force	35,48,42	..	35,48,42
60-A. Defence Services Non-Effective	15. Defence Services, Non-Effective Charges	16,34,00	—24,01	16,09,99
61. Grants in-aid to States	38. Grants-in-aid to States	35,89,06	..	35,89,06
62. Miscellaneous Adjustments between the Union and State Governments.	39. Miscellaneous Adjustments between the Union and State Governments	3.55	..	3.55
63-B Community Development Projects.	37. Miscellaneous Departments and other expenditure of the Ministry of Finance	12,58,78	—93,92	11,64,86
	57. Kutch	8.77	—75	8,02
	58. Manipur	8.84	—75	8,09
	59. Tripura	9.71	—75	8,96
	TOTAL—COMMUNITY DEVELOPMENT PROJECT;	12,86,10	—96,17	11,89,93

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(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e. amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
64-B. Civil Defence	73. Civil Defence	1,20	..	1,20
4-C. Pre-partition Payments	40. Pre-partition Payments	1,28,90	..	1,28,00
	TOTAL	6,26,91,16	-1,14,89,00	5,12,02,16
<i>Add—Railway Expenditure as per Railway Budget</i>		50,759,0	..	50,75,90
	TOTAL—EXPENDITURE MET FROM REVENUE	6,77,67,06	-1,14,89,00	5,62,78,06
	Drawback and <i>ex-gratia</i> payments of import and Union excise Duties			
	I. Customs	41,15	..	41,15
	II. Union Excise	1,00,00	..	1,00,00
<i>Irrigation, etc. works</i>				
XVII.—Works for which Capital Accounts are kept— <i>Deduct—Working Expenses.</i>	57. Kutch	2,35	..	2,35
	Posts and Telegraphs			
XIX. Posts and Telegraphs— <i>Deduct—Working Expenses.</i>	6. Indian Posts and Telegraphs Department	48,85,41	-4,20,40	44,65,01
XXXII. Industries and Supplies— <i>Deduct—Working Expenses.</i>	88. Government Collieries	4,47,36	..	4,47,36
	Civil Works and Miscellaneous Public Improvements			
XLI. Receipts from Electricity Schemes— <i>Deduct—Working Expenses.</i>	57. Kutch	5,71	..	5,71
	58. Manipur	1,33	..	1,33
	59. Tripura	2,57	..	2,57
	TOTAL—RECEIPTS FROM ELECTRICITY SCHEMES	9,61	..	9,61
	Miscellaneous			
XLVI. A. Receipts from Road and Water Transport Schemes— <i>Deduct—Working Expenses.</i>	58. Manipur	8,47	..	8,47
	TOTAL	54,94,35	-4,20,40	50,73,95
	GRAND TOTAL	7,32,61,41	-1,19,09,40	6,13,52,01
	<i>Deduct—Railway Expenditure as shown above</i>			
	TOTAL—EXPENDITURE MET FROM REVENUE AS SHOWN IN DEMANDS FOR GRANTS	50,75,90	..	50,75,90
		6,81,85,51	-1,19,09,40	5,62,76,11

EXPLANATORY MEMORANDUM: GENERAL BUDGET

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
II. Capital Account not met from Revenue—				
65-A. Capital Outlay on Forests.	121. Capital Outlay on Forests	43.97	—16.36	27.61
66. Capital Outlay on the Security Printing Press.	114. Capital Outlay on the India Security Press	3.50	..	3.50
68. Construction of Irrigation, Navigation, Embankment and Drainage Works.	125. Capital Outlay of the Ministry of Home Affairs	22.93	..	22.93
69. Capital Outlay on Posts and Telegraphs.	108. Capital Outlay on Indian Posts and Telegraphs	26,02.78	—14,17.78	11,85.00
71. Capital Outlay on Schemes of Agricultural Improvement and Research.	123. Other Capital Outlay of the Ministry of Food and Agriculture	1,32.21	—38.23	93.98
72. Capital Outlay on Industrial Development.	107. Capital Outlay of the Ministry of Commerce and Industry	20.00	..	20.00
	110. Other Capital Outlay of the Ministry of Communications	6,05.68	—5.00	6,00,68
	125. Capital Outlay of the Ministry of Home Affairs.	20	..	20
	130. Capital Outlay of the Ministry of Natural Resources and Scientific Research	1,71.00	..	1,71.00
	131. Capital Outlay of the Ministry of Production	9,73.40	—1.65.14	8,08.26
	132. Capital Outlay of the Ministry of Rehabilitation.	5.00	..	5.00
	135. Capital Outlay of the Ministry of Transport	37.00	..	37.00
TOTAL—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT		18,12.28	—1,70.14	16,42.14

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
72-A. Capital Outlay on Civil Aviation.	109. Capital Outlay on Civil Aviation . . .	5,35,10	—7,00	5,28,10
72-B. Capital Outlay on Broadcasting.	126. Capital Outlay on Broadcasting . . .	3,99.73	—1,99.73	2,00,00
73. Capital Outlay on Ports	133. Capital Outlay on Ports Included in Railway Budget for Vizagapatam Port	4,77,86 61,34	—10,36 ..	4,67,50 61,34
	TOTAL—CAPITAL OUTLAY ON PORTS . . .	5,39,20	—10,36	5,28,84
77. Currency Capital Account outside the Revenue Account.	115. Capital Outlay on Currency	7,84,80	..	7,84,80
77-A. Capital Outlay on Mints.	116. Capital Outlay on Mints . .	50,30	..	50,30
78. Initial Expenditure on New Capital at Delhi.	136. New Delhi Capital Outlay	6,86,03	..	6,86,03
80-A. Capital Outlay on Multi-purpose River Schemes.	127. Capital Outlay on Multi-purpose River Schemes ..	4,31,64	—1,31	4,30,33
1. Capital Outlay on Civil Works.	134. Capital Outlay on Roads . .	16,30,00	..	16,30,00
	137. Capital Outlay on Buildings	8,96,02	—15,00,00	—6,03,98
	TOTAL—CAPITAL OUTLAY ON CIVIL WORKS . .	25,26,02	—15,00,00	10,26,02
81-A. Capital Outlay on Electricity Schemes	125. Capital Outlay of the Ministry of Home Affairs. . .	37,48	..	37,48
82-B. Capital Outlay on Road and Water Transport Schemes.	135. Other Capital Outlay of the Ministry of Transport. . .	1,60	..	1,60
82-C. Capital Outlay on Shipping Tankers, etc.	135. Other Capital Outlay of the Ministry of Transport . .	1,00,00	..	1,00,00
83. Payments of Commuted Value of Pensions.	117. Commuted Value of Pensions . . .	74.26	—73,77	49
83-A. Capital Outlay on Sterling Pensions.	Capital Outlay on Sterling Pensions . . .	..	—6,94,58	—6,94,58
85. Payments to Retrenched Personnel.	118. Payments to Retrenched Personnel . . .	46	—1,98	—1,52
85-D. Capital Outlay on payments to Displaced Persons.	132. Capital Outlay of the Ministry of Rehabilitation . . .	31,00,00	—10,01,00	20,99,00

EXPLANATORY MEMORANDUM: GENERAL BUDGET

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
86. Defence Capital Outlay	111. Defence Capital Outlay . . .	24,64,00	—2,26,40	22,38,00
87. Capital Outlay on Schemes of Government Trading.	107. Capital Outlay of the Ministry of Commerce and Industry. . . .	16,27,10	—12,06,34	4,20,76
	110. Other Capital Outlay of the Ministry of Communications	7,00	—7,00	..
	112. Capital Outlay of the Ministry of Education	33,37	—33,37	..
	113. Capital Outlay of the Ministry of External Affairs	25,00	—20,00	5,00
	119. Other Capital Outlay of the Ministry of Finance	34,85,95	—34,85,95	..
	122. Purchase of Food grains	90,24,00	—65,08,00	25,16,00
	123. Other Capital Outlay of the Ministry of Food and Agriculture	74,38,10	—74,45,52	—7,42
	124. Capital Outlay of the Ministry of Health	5,06,01	—5,34,23	—28,22
	125. Capital Outlay of the Ministry of Home Affairs	21,63	—17,74	3,89
	127. Other Capital Outlay of the Ministry of Irrigation and Power	1,40	—10,19	—8,79
	129. Capital Outlay of the Ministry of Labour	51,35	—51,35	..
	130. Other Capital Outlay of the Ministry of Natural Resources and Scientific Research	1,58,40	—1,58,40	..
	131. Capital Outlay of the Ministry of Production	25	—1,00	—75
	138. Other Capital Outlay of the Ministry of Works, Housing and Supply	1,07,24	—1,07,76	—52
TOTAL—CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING		2,24,86,80	—1,95,86,85	28,99,95
88. Grants to States for Development.	119. Other Capital Outlay of the Ministry of Finance	8,67,10	—57,33	8,09,77
	124. Capital Outlay of the Ministry of Health	4,95,00	—50,37	4,44,63
	125. Capital Outlay of the Ministry of Home Affairs	1,97,50	—7,50	1,90,00
	138. Other Capital Outlay of the Ministry of Works, Housing and Supply	4,00,00	—13,33	3,86,67
TOTAL—GRANTS TO STATES, ETC. . . .		19,59,60	—1,28,53	18,31,07
TOTAL—CAPITAL ACCOUNT NOT MET FROM REVENUE		4,07,94,69	—2,50,73,62	1,57,21,07
Add—Railway Capital as shown in Railway Budget		66,09,02	..	66,09,c2
TOTAL—CAPITAL		4,74,03,71	—2,50,73,62	2,23,30,01

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross Expenditure (i.e., amount of Demand)	Recovered taken in reduction of expenditure in the Budget	Net expenditure in the Budget
D. Statement of Capital Disbursement of the Central Government.				
Loans and Advances by the Central Government.				
Advances to Part 'A' and 'B' States . . .	2,78,11,10			
Advances to Part 'C' States . . .	10,22,86			
Other Loans and Advances . . .	47,31,29			
		120. Loans and Advances by the Central Government	3,55,23,08 —19,57,83	3,35,65,25
		<u>3,35,65,25</u>		

Public Debt

A. Debt raised in India—					
I. Rupee Debt . . .	69,84,82	Repayment of Debt	22,67,30,33	..	22,67,30,33
II. Floating Debt . . .	21,93,80,00				
B. Debt raised in England	1,22,81				
C. Other Debt . . .	1,97,70				
D. Inter-State Debt Settlement . . .	₹ 45,00				
	<u>22,67,30,33</u>				

ANNEXURE X

Statement showing the distribution of the Budget Estimates for 1955-56 under broad categories of Civil Expenditure met from revenue

	(In lakhs of Rs.)
PAY OF OFFICERS	11,83
PAY OF ESTABLISHMENTS	39,26
ALLOWANCES, HONORARIA, ETC.	35,53
CONTINGENCIES	22,73
INTEREST CHARGES INCLUDING REDUCTION OR AVOIDANCE OF DEBT	103,70
PENSIONS INCLUDING PRIVY PURSES	11,54
GRANTS-IN-AID TO STATES AND OTHERS	68,43
CIVIL WORKS INCLUDING COMMUNICATIONS WORK AND CENTRAL ROAD FUND	24,05
STATE SHARE OF UNION EXCISE DUTIES	16,66
EXPENDITURE ON DISPLACED PERSONS.	10,37
OTHER EXPENDITURE	117,32
TOTAL	461,42

NOTE.—Dearness and other allowances of staff paid from contingencies are included under
'Contingencies'.

ANNEXURE XI

Note on certain relief schemes for displaced persons

As a result of an agreement with Pakistan in April 1949, a Central Claims Organisation was set up under the Ministry of Rehabilitation to deal with the claims in respect of the provident fund, pay, leave salary, pension and security deposits, etc. of displaced persons and to facilitate their speedy settlement. As the pace of verification and acceptance of claims by the authorities in Pakistan was slow, a fresh agreement was entered into in May 1950, under which it was agreed that the concession of provisional payments on behalf of Pakistan should be made to the following categories of persons on rough and ready verification:—

- (i) Displaced Government servants and employees of Local Bodies whose pensions had been sanctioned by the respective competent authorities in West Pakistan.
- (ii) Central Government servants who opted finally for one country and subsequently migrated to the other and whose pensions had been sanctioned by the respective competent authorities.
- (iii) Displaced Government servants and employees of former princely States and Local Bodies who had claims in West Pakistan relating to their provident fund.

In the case of displaced persons falling under categories (i) and (ii), full pensions are being paid on a provisional basis. With regard to those under category (iii) 50 per cent. of the amount of the provident fund is being paid on rough scrutiny of the claims. An expenditure of Rs. 7 lakhs is likely to be incurred on account of provisional payments during the year 1954-55. The expenditure for the year 1955-56 is estimated to be of the same order.

Interim Relief Schemes

These schemes have been introduced by the Government of India to mitigate the hardships to the categories of persons mentioned below who have no other source of livelihood in India:—

- (i) *Government Servants and employees of Local Bodies in West Pakistan whose pensions were due but not sanctioned.*

50 per cent. of the pension due, subject to a maximum of Rs. 150 per month, is allowed in such cases.

- (ii) *Survivors of the victims of the Quetta earthquake who were in receipt of allowances in West Pakistan.*

Full allowance, which was received by these survivors in Pakistan, is paid.

- (iii) *Court of Wards.*

The Government of India have agreed to grant suitable interim relief to those displaced wards whose estates were under the control of Court of Wards in West Pakistan. The relief varies from Rs. 25 to Rs. 250 depending on the extent of the estate.

- (iv) *Displaced persons who had Post Office Savings Bank Accounts, Cash Certificates and Postal Life Insurance Policies, in East and West Pakistan, who registered their claims in Post Offices in India by the prescribed dates.*

Relief is allowed to persons who could not transfer their Savings Bank Accounts and Cash Certificates to India by the prescribed dates. Such persons are eligible for monthly allowances at the rate of Rs. 75 to Rs. 100 per month or half the total deposit whichever is less.

(v) *Former employees of undivided Provinces of Sind and N.W.F.P. who were killed or injured during civil disturbances.*

Extraordinary pension (relief) is sanctioned to the former employees or their dependents of undivided Provinces who were killed or injured during the civil disturbances. In such cases, maintenance allowance (relief) is given at the rates fixed by the Punjab Government for displaced persons in that State.

(vi) *Dependents of former employees of undivided Provinces of Sind and N.W.F.P., and States of Bahawalpur and Khairpur who migrated to India.*

Relief is sanctioned in cases falling under the following categories:—

- (a) where family/disability pension was sanctioned in Pakistan but beneficiaries were precluded from getting it in Pakistan before partition.
- (b) where family/disability pension was due but not sanctioned by the authorities concerned in Pakistan before partition.

In the case of persons falling under category (a) full amount of final pension sanctioned in pre-partition days is paid. Persons falling under category (b) are governed by the rates and conditions prescribed by Punjab Government for displaced persons in that State.

(vii) *Ex-employees of Punjab Public Library, Lahore.*

50 per cent. of the amount of their provident fund is paid.

The total estimated expenditure during 1955-56 for these seven categories is Rs. 5,01,200/-.

ANNEXURE XII

STATEMENT SHOWING THE GRANTS-IN-AID OTHER THAN
 GRANTS UNDER THE FINANCE COMMISSION'S AWARD GIVEN
 BY THE CENTRE TO THE STATE GOVERNMENTS DURING
 THE PERIOD 1951-56

(In lakhs of rupees)

Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Revised, 1954-55	Budget, 1955-56	Total
(1) Under the provisos to Article 275(1) of the Constitution.	1,58	1,59	2,25	3,56	4,37	13,35
(2) Under Article 278 of the Constitution	13,77	9,25	9,05	9,90	9,00	50,07
(3) To meet revenue deficit of Part 'C' States	..	3,61	4,69	5,17	7,58	21,05
(4) For the welfare of Scheduled Tribes and Development of scheduled areas in Part 'C' States	..	..	7	16	24	47
(5) Jammu & Kashmir	..	..	..	3,92	4,00	7,92
(6) Rehabilitation of displaced persons	9,89	6,38	6,31	9,33	7,88	39,79
(7) Grow More Food	2,46	3,37	3,84	4,00	4,00	17,67
(8) Natural Calamities	23	2,17	1,38	6,00	3,00	12,78
(9) Community Projects	..	50	1,88	5,16	7,04	14,58
(10) National Extension Services	..	..	61	2,55	5,17	8,33
(11) Basic, Social and Secondary Education	(a)	(a)	(a)	6,00	10,00	16,00
(12) Welfare of Backward Classes	..	..	25	1,25	1,60	3,10
(13) Key Villages Scheme	..	1	6	17	39	63
(14) Gosadan Scheme	..	1	..	4	8	13
(15) Resettlement of landless workers	..	..	..	5	49	54
(16) Improvement of land records and agricultural statistics	..	..	..	4	16	20
(17) Training of village level workers	..	..	10	44	1,24	1,78
(18) Co-operative Training and Experiment	..	..	..	5	20	25
(19) Social Welfare	..	..	19	150	2,25	3,94
(20) Soil conservation	..	..	..	15	40	55
(21) Higher agricultural education	..	..	..	4	33	37
(22) National Malaria Control Scheme	..	..	1,93	2,84	2,12	6,89
(23) National Filaria Control Scheme	..	..	..	..	..	..
(24) Industrial Housing	..	..	..	71	15	86
(25) Local Works	..	..	76	2,00	4,00	6,76
(26) Grants to Part B States under the Gadgil Committee's recommendations	..	..	79	5,68	5,97	12,44
(27) From Central Road Fund	2,96	3,72	3,68	4,03	4,68	8,71
(28) From Khadi and Handloom Development Fund	(b)	..	1,27	3,54	5,54	21,28
(29) Small Scale and other Village Industries		2	46	1,46	3,30	5,24
TOTAL	30,89	30,63	39,57	84,22	99,23	2,84,54

(a) Separate actuals not available.

(b) Include grants to private parties also.

EXPLANATORY MEMORANDUM: GENERAL BUDGET

ANNEXURE XIII

LOANS TO STATE GOVERNMENTS

The following statement shows the loans given to the State Governments by the Central Government, during the years 1951-52 to 1953-54 and the revised and the budget estimates for the current and the next year, for the purposes indicated below:—

(In lakhs of rupees)

Purpose	Actuals 1951-52	Actuals 1952-53	Actuals 1953-54	Revised estimates 1954-55	Budget estimates 1955-56	Total
Irrigation and Multi-purpose River Schemes.	44,02	38,45	67,10	66,67	80,56	2,96,80
Miscellaneous Development Purposes . . .	3,34	19,79	11,57	68,01	51,00	1,53,71
Grow More Food . . .	8,57	11,85	25,00	34,71	48,92	1,29,05
Rehabilitation . . .	15,20	12,04	4,96	10,50	14,50	57,20
Industrial Housing . . .	1,68	1,32	1,84	3,50	6,82	15,16
Natural Calamities . . .	..	2,63	89	15,79	21,00	40,31
Community Development Projects and National Extension Services . . .	..	39	2,20	8,07	10,52	21,18
Other Purposes . . .	49	25,31	41,09	47,66	56,87	1,71,42
TOTAL . . .	73,30	1,11,78	1,54,65	2,54,91	2,90,19	8,84,83

ANNEXURE XIV

Special Development Fund and other Foreign Assistance

The Special Development Fund was started in October, 1951, from the sale proceeds of American Loan Wheat and wheat obtained from Commonwealth countries under the Colombo Plan. Later on, other items relating to Colombo Plan; the assistance received under the Indo-U.S. Technical Co-operation Agreement and from Norway for the development of fisheries were also brought into the Fund. The statement below gives the details of the transactions of the Fund during the years 1951-52 to 1955-56.—

(In lakhs of Rupees)

Sub-Major Heads	Actuals			Revised Estimates			Budget Estimates			Closing Balance	
	1951-52			1952-53			1954-55				
	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	
1	2	3	4	5	6	7	8	9	10	11	12
Fund from sale proceeds of American Loan Wheat	46.73	12,70	26.59	15.53	..	..	24.83	..	..	..	..
Fund from sale proceeds of wheat received under the Colombo Plan	3.72	2,23	7.37	4.64	..	3.55	..	6.7	..	..	..
3. Fund from other assistance under the Colombo Plan	33	..	..	..	2.24	2.24	3.27	3.23	10.30	10.36	71
4. Fund from assistance under the Indo- U.S. Technical Co-operation Agree- ment . . . . .	..	..	4.07	..	14.42	5.22	19.19	20.78	47.51	35.61	23.58
5. Fund from assistance from Norway for Fisheries Development . . . . .	..	..	..	..	5	..	27	..	20	20	32
Total	50.78	14.93	38.93	19.82	16.71	31.62	22.73	49.61	58.51	46.17	24,61

** As the accounts for 1953-54 have not yet been closed finally, the figures given in columns 6 and 7 are provisional.

Fund from sale proceeds of American Loan Wheat.

The net cash realised by the sale of American Loan wheat was credited to this head. The debits represent the loans made to the State Governments, out of this Fund, for development schemes approved in the Plan.

Fund from sale proceeds of wheat received under the Colombo Plan.

A credit of Rs. 11 crores was afforded to this head on account of the sale proceeds of gift wheat received under the Colombo Plan from Canada and Australia. The fund was utilised for grant of loans to the West Bengal and Hyderabad Governments for the Mayurakshi and Tungabhadra Projects, respectively.

Fund from other assistance under the Colombo Plan.

The assistance received from the Commonwealth countries, under the Colombo Plan, in the form of equipment, materials etc., other than wheat, is booked under this head. The large increase next year is mainly due to the import of locomotives and boilers from Canada for the Railways, the cost of which is recovered from them. Provision has also been made for the import and sale of industrial raw materials such as copper, aluminium etc. from Canada for the use of the indigenous industry.

Fund from assistance under the Indo-U.S. Technical Co-operation Agreement.

The estimated cost of the materials and equipment received under the various Agreements with the Technical Co-operation Mission are credited to this head by debit to the head "87-Capital Outlay on Schemes of Government Trading". As soon as the materials and equipment are made over to the State Governments, either as loans or grants-in-aid, the Capital Head is relieved by *per contra* debit to the Fund. The sale proceeds of fertilisers and steel for agricultural use are earmarked for Community Development Projects. The sale proceeds of steel to be imported for industrial purposes have been reserved for a loan of Rs. 7.5 crores to be given to the Industrial Credit and Investment Corporation.

Fund from assistance from Norway for Fisheries Development.

This head records the assistance received from the Government of Norway for fisheries community development in Travancore-Cochin. The Project is managed by the State Government and the equipment received from Norway is given to that Government, as grant-in-aid.

Other assistance

In addition, foreign assistance is also received from the Ford Foundation for a number of minor activities in the field of Education, Public Health, Agriculture, Social uplift etc. These transactions are not passed through the Special Development Fund. The total assistance received to the end of the current year from the Ford Foundation would amount to Rs. 1.56 crores. Budget provides for a further assistance of Rs. 68 lakhs from this source.

A further sum of Rs. 41 lakhs was received up to the end of 1953-54 from certain specialised agencies of the United Nations Organisation such as, United Nations Technical Assistance Administration, United Nations International Children's Emergency Fund, Food and Agricultural Organisation etc. The assistance to be received during the current and the next year is estimated at Rs. 10 and Rs. 34 lakhs respectively.

The total foreign assistance in the form of grants, received to the end of 1953-54, including the Special Development Fund, amounts to Rs. 33 crores and the current (revised) provides for a further sum of Rs. 23 crores totalling up to Rs. 56 crores in all to the end of the current financial year.

ANNEXURE XV

Foreign Loans

The details below give the progressive totals of foreign loans contracted and actually received from different sources for the purposes specified during the year 1949-50 to 1953-54 with the revised and budget estimates for the current and next year:—

I. Loans from the International Bank for Reconstruction & Development

(In lakhs of Rs.)

	Railway Loan	Agricultural Machinery Project Loan	Bokaro-Konar Loan (D.V.C.I.)	Second D.V.C. Loan
Amount contracted . . .	<u>15,42</u>	<u>3,43</u>	<u>8,81</u>	<u>5,00</u>
Amounts drawn during :—				
1949-50	11,14	1,38	..	..
1950-51	4,28	55	2,86	..
1951-52 . . . .	..	7	87	..
1952-53 . . . .	..	39	2,71	..
1953-54 . . . .	..	1,04	50	..
1954-55 (Revised) . . . .	..	..	85	1,43
1955-56 (Budget) . . . .	..	..	31	1,82
TOTAL . .	<u>15,42</u>	<u>3,43</u>	<u>8,10</u>	<u>3,25</u>

NOTE.—Provision has been included for the repayment this year of Rs. 96 lakhs for the Railway Project Loan and Rs. 69 lakhs for the Agricultural Machinery Project Loan. Budget, next year, includes Rs. 99 lakhs for the repayment of Railway Project Loan, Rs. 56 lakhs for the Agricultural Machinery Project Loan and Rs. 42 lakhs for Bokaro-Konar Project Loan. The balance outstanding against these loans at the end of next year would be as follows:—

(In lakhs of Rs.)

Railway Loan	9,95
Agricultural Machinery Project Loan	56
Bokaro-Konar Project Loan	8,39
Second D. V. C. Loan	5,00

II. Wheat Loan from America

(In lakhs of Rs.)

Amount contracted	<u>90,31</u>
Amount drawn during :—	
1951-52	59,83
1952-53	30,48
TOTAL . .	<u>90,31</u>

The principal portion of American Wheat Loan is repayable in 60 bi-annual instalments beginning from June 30, 1957. The loan bears interest at $2\frac{1}{2}$ per cent., per annum, on the unpaid principal balance outstanding every half-year.

III. Other Loans

The budget next year, includes a provision of Rs. 14 crores as loan from the U.S. Government for the purchase of wheat and cotton.

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ANNEXURE XVI

NET INVESTMENT MADE BY CENTRAL GOVERNMENT IN INDUSTRIAL UNDERTAKINGS DURING THE PERIOD 1951-56

(In lakhs of Rupees)

Particulars	1951-52	1952-53	1953-54	1954-55		Total Estimate
				(Revised Estimate)	(Budget Estimate)	
Penicillin Factory	2	8	24	8	..	42
Salt Works	4	3	3	9	10	29
Govt. sponsored Shipping Corporation	74	..	..	..	..	74
Indian Telephone Industries	65	26	82	66	..	2,39
Sindhu Resettlement Corporation	25	..	..	..	..	25
Messrs. Rare Earth Ltd.	17	..	..	..	..	17
Housing Company, Delhi	2	3	..	7	5	17
Deccan Airways Ltd.	16	..	..	..	..	16
Nahan Foundry	30	..	..	..	..	30
Indian Mining & Construction Co. Ltd.	23	..	..	..	..	23
Machine Tool Factory	2	-8	-6	..	..	-12
Dry Core Cables	1	16	..	..	..	17
National Instrument Factory	7	3	1	15	38	64
Govt. Housing Factory	13	..	..	..	..	13
Ship-building Industry	1,34	-43	..	..	..	-1,09
Stamp Cancelling & Printing ink	2	..	..	..	..	2
Machinery Manufacturing Corporation . . . . .	..	25	..	..	..	25
Hindusthan Shipyard Ltd.	40	33	64	94	84	3,15
Hindusthan Machine Tools Ltd . . . . .	..	1,00	..	1,90	..	2,90
D.D.T. Factory . . . . .	..	..	3	1	3	7
Hindusthan Steel Ltd. . . . .	..	..	4	..	5,00	5,04
Hindusthan Cables Ltd. . . . .	..	..	65	39	7	1,11
Synthetic Oil Plant . . . . .	..	..	..	4	10	14
Lignite Development Project . . . . .	..	..	..	16	25	41
Hindusthan Insecticides Ltd. . . . .	..	..	..	22	22	44
Hindusthan Anti-biotics Ltd. . . . .	..	..	..	48	40	88
Corporation for Mineral & Sand Separation Industry . . . . .	..	..	..	20	58	78
Heavy Electrical Equipment Factory . . . . .	..	..	..	1	15	16
Air Corporations . . . . .	..	..	1,13	7,32	5,61	14,06
Sindri Fertiliser Factory	260	..	3	..	..	2,63
Oil Exploration . . . . .	..	..	..	25	29	54
National Research Development Corporation . . . . .	..	..	..	..	5	5
National Industrial Development Corporation . . . . .	..	..	..	..	..	10
Second Steel Plant . . . . .	..	..	..	10	..	10
Additional Fertiliser Projects . . . . .	..	..	..	..	20	20
Pig Iron Plant . . . . .	..	..	..	..	..	19
National Small Industries Corporation . . . . .	..	..	19	..	..	19
Tripura State Bank Ltd. . . . .	..	..	..	2	5	7
Vindhya Pradesh Co-operative Bank	2	..	..	..	..	2
Himachal Pradesh Co-operative Bank . . . . .	..	..	1	..	..	1
Eastern Shipping Corporation . . . . .	..	..	93	..	..	93
	7,19	-34	4,70	13,09	14,47	30,11

ANNEXURE XVII*Public Borrowings in India*

The statement below compares the receipt on account of Rupee Loans, floated and discharged, during the 4 years ending 1954-55 as compared with the figures assumed in the respective Budget Estimates:—

(In lakhs of Rs.)

	1951-52		1952-53		1953-54		1954-55	
	Floated	Dis-charged	Floated	Dis-charged	Floated	Dis-charged	Floated	Dis-charged
Rupee Loans—								
Budget Estimates	1,00,00	87,40	25,00	1,45	1,00,00	1,16,70	75,00	49,76
Actuals	50,37	84,59	7	97	75,30	1,12,51	1,58,68*	45,09

*Revised Estimates.

The net realisations during the 4 years ending 1954-55, would amount to Rs 41 26 crores. In addition, a net sum of Rs. 17 crores was realised during the same period on the sale of Securities held in Government account. The total net credit on account of loans from the public thus amounts to Rs 58 26 crores during the 4 years ending 1954-55 as compared with the figure of Rs 36 crores envisaged in the 5 years of the Plan period 1951—56

ANNEXURE XVIII**UNFUNDED DEBT**

The statement below gives the credits and debits, during the years 1951-52 to 1954-55, under the head 'Unfunded Debt':—

(In lakhs of Rs.)

	Credit	Debit	Net credit
Budget 1951-52	158,29	107,14	51,15
Actuals 1951-52	170,26	121,63	48,63
Budget 1952-53	170,92	119,58	51,34
Actuals 1952-53	172,18	123,44	48,74
Budget 1953-54	180,92	125,25	55,67
Actuals 1953-54	185,42	132,47	52,95
Budget 1954-55	189,99	129,37	60,62
Revised Estimates 1954-55	209,49	144,21	65,28

The total net realisations on account of State Provident Funds, Post Office Savings Bank deposits, National Savings Certificates and other items falling under the head 'Unfunded Debt' during the 4 years ending March 1955, would accordingly, amount to Rs. 215·6 crores as compared with the figure of Rs. 270 crores assumed for the entire period of the first Five Year Plan.

